

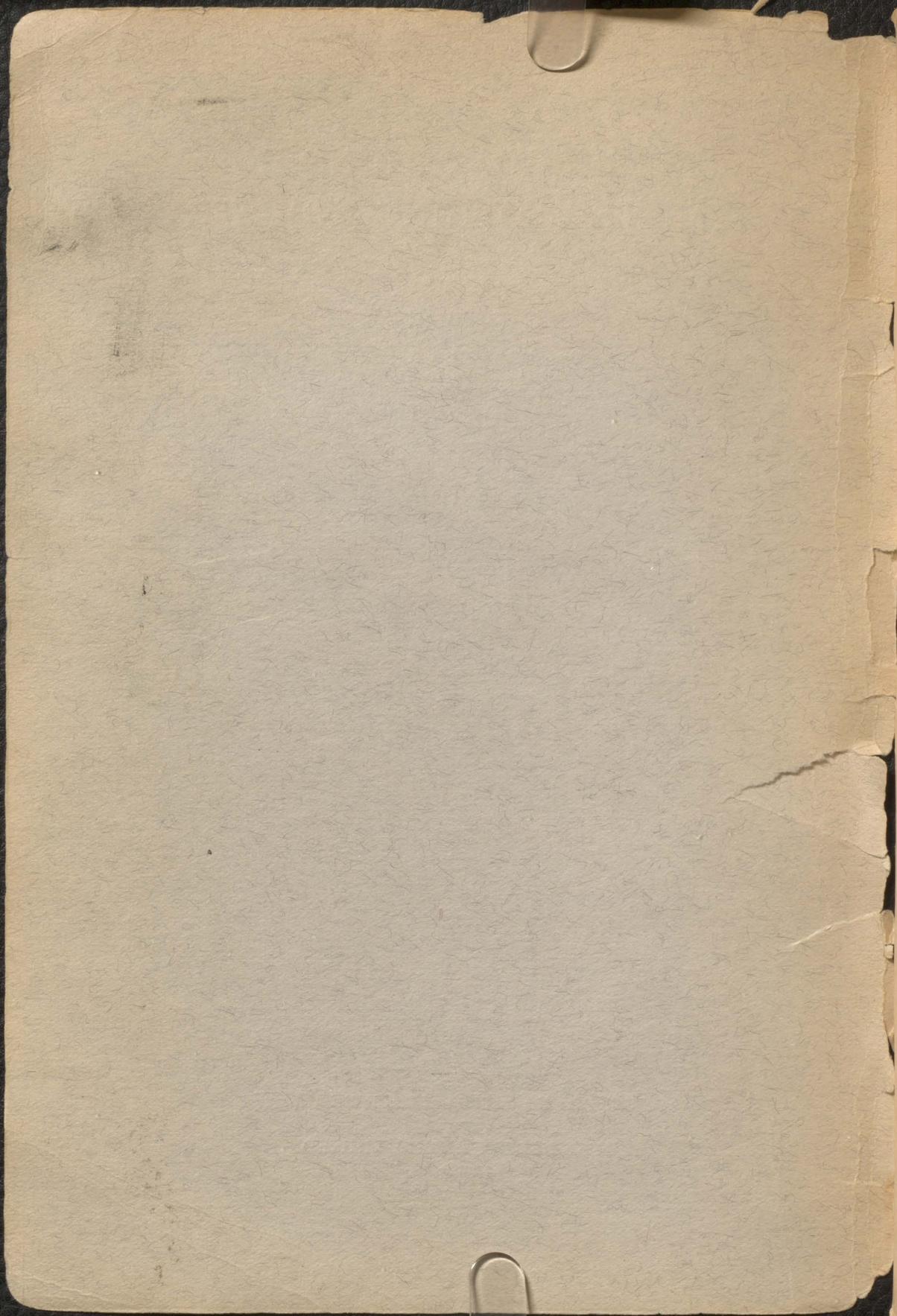
F. R. Scott.

LABOUR CONDITIONS IN THE MEN'S CLOTHING INDUSTRY

BY
F. R. SCOTT
H. M. CASSIDY



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Toronto



LABOUR CONDITIONS IN
THE MEN'S CLOTHING INDUSTRY

✱

A REPORT

by

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LABOUR CONDITIONS IN
THE WEAVER CLOTHING INDUSTRY

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BY
H. M. CASPARY, B.A., F.R.S.C.

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H. M. CASPARY, B.A., F.R.S.C.
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REPORT

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FOREWORD

The programme of research on standards of living in Canada, projected under the auspices of the Institute of Pacific Relations, was developed after the work published in this volume had been completed. The character of the work and its conclusions, however, were so closely related to the general programme that an effort was made to avoid duplication in the regions and occupations involved. We are therefore extremely happy that an arrangement has been made by which it should be published as an integral part of the series of studies on the subject of standards of living.

The general outline of these studies proceeds on the assumption that Canadian income is largely determined by the volume and form of a small group of important export products. The depression has involved a sharp reduction in income derived from these sources but the effects have been felt most acutely by those directly engaged in the production of exports such as the farmers, particularly of Western Canada, the lumbermen, the fishermen, and the miners. The manufacturers and other groups, especially in the St. Lawrence basin, have felt the effects less severely because of the tariff, shown in the failure of manufactured prices to decline as rapidly as the prices of exports. The sharp decline in income has had varied effects on industries, chiefly as a result of the ability to resist through organization a reduction in prices. The small scale type of industry with unorganized labour has felt the effects most severely. The studies have been planned to suggest the influence of the depression on the standards of living of those who have been in an exposed region or industry or occupation. Professor W. A. Carrothers, Mr. G. E. Britnell and Dr. S. A. Saunders have been concerned with the immediate effects of the depression on select groups in British Columbia, the Western Provinces and the Maritime Provinces. Professor C. A. Marsh and Professor C. A. Dawson have undertaken a special study

dealing with a select group and area in Montreal. The following study by Dr. H. M. Cassidy and Professor F. R. Scott has been concerned with the position of an exposed group in Ontario and Quebec, and therefore forms an important part of the studies as a whole. It should be read with A. S. Whiteley's "Workers during the Depression" published in *The Canadian Economy and Its Problems* edited by H. A. Innis and A. F. W. Plumptre, (Toronto, 1934) and with the *Report of the Lieutenant-Governor's Committee on Housing Conditions in Toronto, 1934*.

Although published under its auspices, the Institute of Pacific Relations does not assume responsibility for statements of fact or opinion made by the authors.

E. C. CARTER,
Secretary-General of the
Institute of Pacific Relations.

PREFACE

This report was prepared at the request of the Canadian Garment Manufacturers' Association and the Amalgamated Clothing Workers' Union of America. It covers only that part of the needle trades manufacturing men's and boys' fine clothing, that being the only part of the industry in which the Amalgamated Union was particularly interested. Both the manufacturers and the workers have suffered greatly in recent years, the former from cut-throat competition, disorganized marketing and general industrial instability, and the latter from unemployment, under-employment and the revival of the sweatshop in its most obnoxious forms. It was felt by both groups that a full review of the facts was a necessary preliminary to any attempt that might be made to raise the living standards of the workers and to rescue the industry from the morass into which it has fallen. The pages that follow are designed to meet that need, and to indicate what are, in our opinion, appropriate measures of reform. We have acted as independent investigators throughout the course of our study, with the full consent of the two sponsoring bodies, so that we alone are responsible for any errors of fact or interpretation that may have been made.

Our sources of information for this report were various. Some of it came directly from individual workers, about 150 of whom were personally interviewed by the writers or their assistants. In selecting these individuals we tried as far as possible to obtain a fair sample of workers performing the different processes in each shop, and also representatives of the better as well as the poorer shops. Valuable help in the way of providing information and criticism was rendered us by manufacturers and union officials in both Ontario and Quebec. Officers of the Montreal Clothing Contractors' Association performed similar services. The records of the Amalgamated Union provided some statistics regarding hours

and wages in union shops, and further information was obtained from the Minimum Wage Boards in Ontario and Quebec and from the Dominion Bureau of Statistics. Personal visits were of course made to a number of shops, and frequently direct access was permitted to the books and payrolls of individual firms. Some useful material was found in certain government and other publications to which reference is made in the text.

Our thanks are particularly due to our able and untiring assistants in the work, namely Mr. H. L. Wolfson, B.A.; Mr. Stuart Legge, B.A.; Mr. S. P. Heiber, B.Com.; and Mr. Arthur Shecter, B.A.

F. R. SCOTT,
H. M. CASSIDY.

Toronto, Dec. 11, 1933.

PREFACE TO THE PUBLISHED EDITION

The findings of this report were presented in February, 1934, before the Parliamentary Committee on Price Spreads and Mass Buying presided over by the Honourable H. H. Stevens. The disclosures before that committee show that the depressed living standards which we found to exist in the men's clothing industry are simply part of a widespread condition. The need for intelligently planned and properly enforced labour legislation is even greater than is indicated by the evidence we found in our own particular field of inquiry.

Since the report was written some changes have occurred in relevant labour legislation in Ontario and Quebec. In Ontario the Minimum Wage Act was amended (24 Geo. V, cap.31) so as to fix the maximum hours of labour per week for which the minimum wage would be paid, the limit being 48 hours in municipalities with over 50,000 inhabitants, 50 hours for those between 10,000 and 50,000 and 54 hours in the others. Where there is a prevailing working week, it is to be the maximum. The penalties for infringement of the act have been somewhat increased. A clause has been added requiring male employees to be paid the same wages as female employees for whom they are substituted, but the requirement only applies in cases "as determined by the Board". It is not the rule unless the Board so declares.

In Quebec the Women's Minimum Wage Act has been slightly amended (24 Geo. V, caps. 30-31); the penalties have been increased, and a clause inserted dealing with the substitution of male for female workers. But again the substituted male worker only receives the women's minimum wage "if, in the opinion of the Commission", the work which he does is woman's work; the practice of substituting men or boys for women can continue until the

Commission interferes. It does not seem likely that either the Quebec or Ontario amendments will eradicate the evil at which they are directed unless the rule is made obligatory over all the industries covered by the Acts.

The Quebec Minimum Wage Commission is experimenting with a new type of Order which abandons the attempt to classify wage-earners according to length of experience, and instead requires the employer to pay a fixed percentage of the women at specified rates regardless of experience. In the Order No. 10 which came into force in the Women's and Children's Dresses, Silk Underwear, Kimonos and Lingerie trade on Dec. 1st, 1934, in Montreal, 10% of the total female working force is paid \$7.00 per week of 48 hours, 20% \$10.00 and 70% \$12.50. It is hoped that this will prevent employers from substituting apprentices for experienced women, and the latter from having to profess inexperience in order to get employment.

A new statute in Quebec of great importance is the so-called Arcand Law (24 Geo. V. C.52) which enables the Minister of Labour to proclaim as law in a given district a collective agreement arrived at by organised employees and employers. Such agreements when proclaimed have the effect of providing minimum wages and hours for both men and women in the industry to which they apply. Already some 100,000 workers in Quebec have brought themselves under the law. The Amalgamated Clothing Workers of America, sponsors of this report, in agreement with clothing manufacturers and contractors, have petitioned for an extension of the Act to the men's clothing industry. At the time of writing negotiations are still proceeding, but considerable opposition is being voiced by employers in the small towns. The proposed agreement provides minimum hourly rates, for a 44 hour week of 5 days, ranging from 28½c to 68c, depending on the type of work done. The Province of Quebec is to be considered a single unit for purposes of the agreement, so that country shops will have to pay the same wages as urban shops. A Joint Committee representing workers and employers is to be set up charged with enforcing the agreement, to which the Minister of Labour may add two persons, presumably to represent consumers' interests. If the scheme is adopted it may be possible to restrict competition in labour standards somewhat as suggested in this report; but the

Joint Committee of the Arcand Law has fewer rights and duties than we have recommended as desirable, and would appear to be lacking in effective measures of enforcement.

Finally, we would repeat the warning in the report that the suggested plan for control is not intended as a cure for all the ills of the clothing industry, but merely as an immediate step within the framework of the existing industrial structure, towards the elimination of some of the worst effects of cut-throat competition.

F. R. SCOTT,
H. M. CASSIDY.

December 30th, 1934.

SECTION I

THE NATURE OF THE INDUSTRY

Labour conditions in any industry are always very much the product of the economic peculiarities of the industry in question. It is necessary, therefore, that we preface our report with a brief sketch of the nature of the industry whose labour conditions we are to describe. Later, after the position of labour has been outlined, we shall undertake a more detailed economic analysis with the object of explaining the industrial forces which have reduced the men's clothing workers, and many of their employers as well, to a deplorable condition.

To-day the making of men's outer clothing is carried on mainly in clothing factories, whereas not so many years ago it was done by hand tailor shops or by itinerant tailors or members of the family working in the home. The earliest clothing factories of which we have record in Canada, a few of which were established in Montreal and Toronto by 1875, operated according to methods midway between home and factory manufacture. "The garments were cut on the premises of the wholesale clothing houses, tied into bundles with the linings and trimmings, and sent out into the country to be made up. Farmers for miles around would drive into the towns, carrying home the bundles of cut garments and these would be put together at home, being brought back a week later when the payment would be made on the basis of so much a garment."⁽¹⁾ In 1897, when Mr. W. L. MacKenzie King made an investigation, for the Postmaster-General, into charges that military clothing for the government was being produced under sweatshop conditions, he discovered that the government contractors, particularly in Montreal and Hamilton, were "farming-out" a good deal of their work in this way, to home-workers.

However, the system was unsatisfactory because the home-workers lacked skill, because there could be no adequate super-

(1) From an article in the Manual of the Textile Industry in Canada, "The Garment and Clothing Industries, History and Organization", by R. P. Sparks.

vision of their work, and because of their inability to make up any but rough and ill-fitting garments. A better quality of work was necessary if the market for "ready-to-wear" clothing was to be built up. The problem was solved by the establishment of "contract shops" in the towns and cities, which progressively took over the actual manufacturing operations, apart from the cutting of the cloth, from the home-workers. These shops found a new and partially trained labour supply in the European immigrants, some of whom were skilled tailors, who began to settle in Montreal and Toronto in the latter part of the last century.

By the turn of the century the evolution of the industry had proceeded to the point where there were a number of factories which completed all the operations of manufacture in the one establishment. As time went on the number of these "inside shops" increased, particularly for the manufacture of quality clothing, which could be made to better advantage by an employer who surrounded himself with skilled craftsmen and who had the complete process under his direct supervision. But the contract shop has survived (as well as a certain amount of home work) so that to-day many shops still have no cutting departments and do only specialized contract work on vests, pants or coats. In addition to those manufacturers who send out all of their work to contractors there are some who send out part of it, even although they have the facilities for complete manufacture; while there are some that have contractors performing certain operations for them on their own premises.

A further development in the industry has been the growth of the "made-to-measure", or "special order", business, which now makes up a very large part of the total. With the increased skill of designers and the improved organization of merchandising and manufacture, it became possible for the clothing dealer or the manufacturer's agent to send orders to the factory, based upon the measurements and the style preferences of the individual customer, where the garments were made up according to these instructions. After the war the special order business developed rapidly and to-day it ranks in importance with the ready-made business, or manufacture for stock. In Toronto, we are informed by manufacturers, special order work makes up some 80 per cent of all the business at present; while in Montreal the ready-made business still predominates. Many firms do both types of work.

The rise of the factory system of manufacture did not immediately make for large-scale factory operations, nor has it done so yet. On the other hand, the industry is one in which there are many small establishments competing furiously with one another. This is understandable in the light of the products turned out and the processes employed. The principal products are men's and boys' suits and overcoats and separate coats, trousers and vests.⁽²⁾ The major processes are three in number — cutting and trimming the cloth, sewing the various parts together, and pressing the separate parts and the completed garment. These major divisions of the work, particularly in the better organized shops, are broken up into many particular jobs, so that the making of a sac coat in one of the larger firms in Toronto requires some 115 separate operations. None of this work, however, requires elaborate or expensive machinery; power sewing machines and pressing machines being the chief ones that are used. There is still a good deal of careful hand work to be done in the making of garments, and each machine operation is very much subject to the control of the individual operative, unlike the semi-automatic processes that are so common in the highly mechanized industries. Thus considerable skill is demanded of the employees, particularly for the more important and difficult operations, such as cutting, pressing, pocket-making and sleeve-hanging. Naturally, labour is much the most important item of manufacturing cost.

In 1931, the last year for which there are complete figures, the Dominion Bureau of Statistics report on the industry shows 180 separate establishments engaged in the manufacture of men's factory clothing, with an invested capital of \$21,599,392, whose output for the year was valued at \$33,950,083. The industry is concentrated very largely in the provinces of Ontario and Quebec, and, indeed, in the cities of Montreal and Toronto, as Tables 1, 2 and 3 of the Appendix show clearly. In 1931 the gross value of production was \$17,042,307 in Montreal, or 83.6 per cent of the Quebec total and 50.2 per cent of the Dominion total. A number of the smaller towns in Quebec, such as Hull, Victoriaville, and Joliette, as well as Quebec City, have some clothing factories. Toronto's contribu-

(2) The firms classified by the Dominion Bureau of Statistics as belonging to the men's factory clothing industry include only those whose major products are those mentioned, and do not include those which specialize in the making of shirts, collars, pajamas, work clothing and other items of wearing apparel for men.

tion to the gross value of production was \$10,366,197 in 1931, or 82.9 per cent of the Ontario total and 30.5 per cent of the Dominion total. The only other manufacturing centre of importance in Ontario is Hamilton, while there are a few shops in some of the smaller towns. The two provinces of Ontario and Quebec provided 96.8 per cent of the total gross value of production in 1931, and the cities of Montreal and Toronto together contributed 75.4 per cent of the total. The industry is now one of the important branches of Canadian manufacturing. In 1931 it ranked 27th in value of production among the manufacturing industries of the country.

Instability of business and insecurity for both worker and employer have long been characteristic of the men's clothing industry, as of other needle trades. There are two major factors making for stability, but these are offset by others. The first of these is that the Canadian industry has a virtual monopoly of the home market, manufacturing some 95 per cent of all the men's clothing used in this country. Moderate tariff protection is sufficient to keep the industry free from the troubles of competition from Great Britain or the United States. A second factor making for stability is that the products turned out are articles of necessity, for which demand is relatively steady, as compared with that for many other products. But instability is induced, first, by the seasonal nature of demand which has led to severe seasonal variations in merchandising and in manufacturing. The style factor operates to accentuate seasonal fluctuations. A second major reason for instability lies in the large number of small establishments in the industry, the intense competition between them, and the high proportion of business failures which this condition generates. The intensity of the business struggle has led to the exploitation of labour by means of low wages, long hours and sweat-shop conditions of work, which not even the best efforts of the Amalgamated Clothing Workers, the workers' trade union, have ever succeeded in stamping out completely. Thus the industry was not entirely healthy even in years of general prosperity; and in view of this it is not surprising that the effects upon it of the present depression have been disastrous.

SECTION II

LABOUR CONDITIONS

(1) *Pre-depression*

Prior to the depression, from 1926 to 1929, the number of employees deriving their support from the men's clothing industry was somewhat over 11,000 and of these about 10,000 were wage-earners. The number of women in the industry was slightly larger than the number of men. About 4,000 of the employees were in Ontario, and more than 6,000 were in Quebec. The largest single group of the clothing workers in Toronto and Hamilton is Jewish, while there is also a certain number of Italians, Ukrainians, Poles and other immigrants among them. In Montreal, the Jewish group is also by far the most numerous, while there are various Eastern European immigrants and some French Canadians as well. In Quebec country districts, there is a considerable number of French Canadian workers employed. It will be noted that the working force has been recruited largely from immigrant sources.

The major problem with which the wage-earners in the industry had to contend before the depression was unemployment, on account of the irregular seasonal operations of the clothing factories. Naturally, the climatic factor makes for seasonal variation in the manufacture and sale of men's clothing — heavy clothing being made in the late summer and early fall for the winter months, and lighter clothing in the spring for the summer. The fact that the industry was made up very largely of small establishments competing furiously with one another made it practically inevitable that each enterprise should guide its production policies by immediate considerations of marketing, with little or no attempt to overcome seasonal fluctuations by careful forward planning of output.

The burden of this irregularity of operation upon the worker was severe even in years of high production. In Montreal, from 1923 to 1930, the seasons of activity ran ordinarily from February until April, and from July until September or October. During these periods, the clothing factories generally worked to capacity and often worked overtime, but in the intervening seasons some of them closed up completely while others operated on a part time

basis. Thus workers in the industry could only count upon obtaining from 36 to 40 full weeks of work in a year. In Toronto and other centres the situation was much the same. The workers took it for granted that their earnings would be cut down seriously by unemployment or part time work in certain seasons and made provision as best they could from the earnings of the busy months for the inevitable periods when their incomes would shrink to little or nothing.

Before the depression the full time earnings of the organized clothing workers were relatively good. The agreement between the Amalgamated Clothing Workers and the manufacturers of Toronto which prevailed from 1922 to 1929 called for weekly wage rates for a 44 hour week of from \$30.00 to \$40.00 for the men performing the more skilled operations, such as cutters, fitters, pocket operators, lining makers, and edge tapers; while the rates for women with training and experience were ordinarily in excess of \$20.00 per week. In addition, time and one half rates were prescribed for overtime. According to the payroll records of two well established manufacturers in Toronto, which were consulted for this report, the earnings of skilled male workers regularly employed in these shops ranged from about \$1,700 to \$2,000 in 1929. In the same year experienced women performing skilled operations earned from \$1,000 to \$1,200 or more. The earnings of those doing the less difficult jobs were lower, of course — very much lower in many instances. Average earnings in Montreal were probably smaller than in Toronto, on account of lower wage scales there; while in the other centres of Quebec they must have been considerably less. According to the Dominion Census of Industry reports, the 10,086 wage-earners in the industry earned \$1,068.30, on the average, in the year 1929.

While these figures do no more than to suggest the position of the workers in the industry prior to the depression, they are probably sufficient to indicate that it was at least tolerable, if not particularly good. While they were plagued by much short time and by frequent lay-offs, and while they lost their jobs often on account of the collapse of small shops, nevertheless the majority of them, and particularly those in the larger and more stable shops in Toronto and Montreal which operated under agreements with the union, were able to make annual earnings that compared favourably with those of other Canadian factory workers.

(2) *Effects of the Depression*

But with the coming of the depression the earnings and the living standards of the clothing workers have been progressively reduced by a combination of unemployment, short time, and wage reductions, until most of them are now close to or below the borderline of abject poverty.

It is impossible to give an accurate picture of the extent of unemployment among the men's clothing workers during these last two or three years, for complete figures are not available. But the evidence at hand shows that they have been most severely affected. According to the Dominion census of unemployment for 1931, 73.7 per cent of the men's clothing wage-earners in Toronto lost time from work in the year ending June, 1931, and their loss of time was 23.8 weeks, on the average; while 61.7 per cent of the Montreal group lost time, to the amount of 22.3 weeks on the average. The total number of weeks lost in Toronto, as reported by all of the wage-earners, was 35.1 per cent of possible full time during the year; while in Montreal it was 27.5 per cent. These figures of time loss drawn from census reports are very likely understatements of the real facts, for they probably fail to take account sufficiently of the prevalence of short time during the weeks when wage-earners reported themselves as at work.

During the year 1932 there was undoubtedly a much larger amount of unemployment, but no definite figures are available to show how much. From Table 4 of the Appendix it appears that the average number of employees on payrolls, as reported by manufacturers to the Census of Industry, decreased from 11,506 in 1929 to 9,285 in 1932, or nearly 20 per cent, and no doubt this gives a rough indication of the number of the workers totally unemployed in 1932. During the spring and summer of 1933 there has been a considerable improvement in the trade and the severity of unemployment has decreased somewhat.

But to obtain a more adequate idea of the ravages of unemployment in the industry it must be recognized that short time has always been common at certain seasons, and that during the depression those who would list themselves as "employed" have actually been at work for only a part of the normal work period in most weeks. The coat shop of a large Toronto factory was operated for 44 hours per week, on the average, during the 52

weeks of 1929; for 35 hours, during 1930; for 30 hours, during 1931; for 29 hours, during 1932; and for 35 hours during the first six months of 1933. According to reports made weekly to their union by cutters employed regularly in the Toronto market, their average weekly hours of work for the second half of 1931 were only 29.5; for 1932, 27.7; and for the first half of 1933, 32.4. These figures, and others that might be cited, suggest pretty definitely that even those workers who have held regular positions in Toronto have not had more than two thirds of full-time work during the last two or three years. When due allowance is made for the prevalence of short time, it appears likely that the whole group of workers attached to the industry have worked no more than 50 per cent of possible full time since 1931; or, in other words, that the unemployment and under-employment spread over the whole group have been equivalent to the total idleness of half of them. This, of course, must be taken as only a very rough estimate of the extent of the problem.

The figures at hand suggest that unemployment has been more severe among the workers of Ontario than among those of Quebec. Table 5 of the Appendix, which lists census of unemployment figures for 1931, shows that less unemployment was reported by clothing workers in Montreal and Quebec City than in Toronto and Hamilton. These figures support complaints of Toronto manufacturers that they have been losing business to manufacturers in Quebec, and the arguments of union officials in Toronto that underpaid, sweated labour in Quebec has been drawing work and wages away from the Toronto market. ⁽¹⁾

Since our study was not concerned so much with the unemployed as with the employed clothing workers, we have little to add to the brief statistical discussion above. However, it should be said that we were impressed, in analysing our interviews with workers in both Ontario and Quebec, with the fact that practically all stated that they had suffered from unemployment or under-employment. Many had been out of work entirely for long periods during the past two years; while in almost every instance they reported short time for many months of the year. Many of those who had more or less regular work reported that other members of their

(1) However, other statistics for the men's clothing industry provided by the Dominion Bureau do not show an appreciable shift of business from the Toronto to the Montreal area. The question is further discussed in Section IV.

families were unemployed, so that the whole burden of family support fell upon their earnings. Economic insecurity stands out in practically every page of the questionnaires that record these interviews; and the shadow of the relief office is apparent in many of them.

The third factor that has operated to reduce the earnings and the living standards of the clothing workers has been the reduction of wages. In the Toronto shops working under agreement with the Amalgamated Clothing Workers the pre-depression rate prevailed substantially until December of 1931, when there was a reduction of 10 per cent. Another reduction of 10 per cent followed in June of 1932, and still another in February of this year. In September an increase of 10 per cent was arranged, so that union wage rates in the Toronto market are now approximately 20 per cent below 1929 levels. Such definite information is not available for non-union shops in Ontario, for there has been no uniformity in wage changes in non-union establishments. In Quebec the union did not have control of many shops during most of the depression period and general wage agreements did not prevail even in Montreal. However, it is clear that wage reductions were made in the non-union shops, particularly in Quebec, much earlier than in the union shops of Toronto, and the extent of the reductions must have been much greater, in most instances. It was the drastic under-cutting of wages by non-union establishments, of course, that made heavy decreases necessary in the section of the industry under union control.

As a consequence of these developments, the earnings of wage-earners, even of those with jobs, have fallen drastically. The total wage and salary payments of the men's clothing industry fell from \$13,371,417 in 1929 to \$7,885,652⁽²⁾ in 1932, a decrease of 41 per cent, according to Dominion census of industry reports. The same reports show that average earnings per employee, including salaried employees, fell from \$1162 in 1929 to \$849 in 1932; while average earnings per wage-earner dropped from \$1,068 in 1929 to \$853 in 1931. When the wage-earner figures for 1932 become available they will probably show average earnings per worker of not more than \$750. Tables 4, 6 and 7 of the Appendix set forth census of industry figures on employees, salaries and wages and average annual earnings in more detail.

(2) A preliminary figure.

Tables 6 and 7 show that the average earnings of employees have been consistently higher in Ontario than in Quebec. Average annual earnings of all employees in Ontario were \$929 as compared with \$802 in Quebec in 1932, according to the Dominion Bureau figures. The figures for cities which are given in Table 7 for the year 1932 show also higher annual earnings for Toronto and Hamilton than for Montreal and Quebec, although the difference between Toronto and Montreal was not great. This table is of further interest in that it shows a large difference between the annual earnings of employees of general manufacturers and of contractors. The employees of the contract shops apparently earned no more than about \$500 or \$600 on the average in 1932.

The average annual earnings figures derived from census of industry reports probably give a too favourable picture of the real earnings of the clothing workers.⁽³⁾ Other data at hand definitely suggest lower earnings. According to 1931 census reports of the Dominion Bureau of Statistics, the average annual earnings reported by "tailors" (male) for the year ending June, 1931, were \$858; and of "sewers and sewing machinists, shop and factory" (female) were \$447. These two groups were made up largely of employees from the men's clothing industry. Their earnings in 1932 must have been much less than in the year ending in June, 1931. Figures on annual earnings obtained specially for this report in Toronto suggest that the average earnings of all workers in the industry, men and women, were probably well below \$750 in 1932, the figure derived from census of industry data.

Official statistics, upon which the foregoing paragraphs are based, serve only to give a general picture of the present position of labour in the men's clothing industry. We turn next, therefore, to the presentation of evidence collected for this report by special survey which will show still more clearly how the workers are faring at present. Since there are some significant differences in the conditions prevailing in Ontario and Quebec, and since our

(3) Because the average number employed monthly is taken as the total number of employees attached to the industry for the year; whereas the annual wage and salary roll must be divided among all those who work in the industry at any time during the year, a greater number than the average number employed. Moreover, we are much inclined to doubt that the Dominion Bureau receives reports from nearly all of the smaller establishments, particularly the contract shops where the lowest wages and earnings generally prevail. More returns of this type would certainly depress average annual earnings figures substantially.

information comes from separate surveys centred respectively in Toronto and in Montreal, it will be best to present separately our findings for the two major areas of the industry.

(3) *The Ontario Situation*

The Ontario situation is essentially the Toronto situation; for as it has been pointed out the great majority of the Ontario shops are located in Toronto. While there are several shops in Hamilton, our information is that labour conditions there are much the same as in Toronto. There are a few other shops in the smaller towns of Ontario in which, we are informed, conditions of work and wages are generally poorer than in the Toronto and Hamilton establishments. In view of the dominance of Toronto, we have confined our detailed investigations to that city, except for an inquiry into conditions in one shop at Cornwall. Our Toronto information comes from interviews with about 100 workers from eight establishments, three union and five non-union, from interviews with the managers of these and other shops, and from interviews with officials of the Amalgamated Clothing Workers' union, the manufacturers' associations, the Ontario Minimum Wage Board, the Provincial Department of Labour, and with other persons in contact with the industry — as well as from personal examination of employers' records and shop conditions by one of the writers or his assistants.

In Toronto the men's clothing industry is concentrated in the downtown section of the city, mainly in the vicinity of Spadina Ave. and Adelaide St., where several large and relatively modern factory buildings house the various establishments. In one of these buildings one finds many clothing firms, (men's and women's), each renting from the building management as much floor space as may be required. The larger firms occupy a whole floor, or several floors, of the building; while on some floors there are several small "factories", each cut off from the other by unpainted wooden partitions with a fringe of chicken wire netting at the top to permit cross ventilation. A few of the firms have buildings of their own, but this is uncommon.

The Toronto section of the industry is dominated by a few large firms, and chiefly by Tip-Top Tailors, which employs more than 700 workers. The T. Eaton Co. also has a large clothing

factory. Then there are six or seven middle-sized establishments which employ from 50 to 200 workers, with some 15 or 20 smaller places employing from 5 to 50 workers. In addition there are a few home shops where the members of a family, and sometimes a few others, do contract work in one or two rooms of their homes. Most of the work in the Toronto market is done in "inside" shops, which complete all work on a garment on their own premises; but there is a limited number of small establishments that do contract work for other manufacturers, performing certain operations on materials sent out to them.

The larger firms in Toronto (except the T. Eaton Co. and Ontario Boys' Wear) are operating under agreements with the Amalgamated Clothing Workers. In addition, the union has agreements with a number of smaller shops, general manufacturers and contractors, so that the total number of union shops in September of this year was 18. The union shops had approximately 1500 workers on their payrolls during the first part of 1933, and in a period of more active business they would no doubt employ as many as 2,000. At present there are from 2,500 to 3,000 workers in Toronto who may be said to be attached to the industry. At the end of September 1,693 of them belonged to the union. The available figures suggest that the union has effective control over 85 or 90 per cent of the industry.⁽⁴⁾ But although the non-union section of the industry is not very large, it has nevertheless proven a great source of trouble to union shops and union workers, on account of its competitive under-cutting of labour standards — as will appear more clearly later.

WAGES AND EARNINGS

The evil combination of short time and low wage rates have reduced the earnings of most of those Toronto clothing workers who have jobs to amounts quite inadequate for decent standards of living. In 1930, the method of payment in the union shops was changed from a time to a piece work system. This was done to meet the employers' plea that it would stimulate production and

(4) In view of the fact that the figures of union memberships that have been cited seem inconsistent with this statement, it should be explained that not all employees in a union shop are members of the union. Office workers and others are usually non-members.

enable them better to meet the already sharpening competition from non-union shops. The piece rates then established were designed to make possible for the workers substantially the same earnings their pre-depression time rates had given them. There followed three wage reductions of 10 per cent each, which had reduced union rates by about 30 per cent in the first part of this year, as compared with those prevailing before the depression. Probably non-union rates had fallen even more. Recently some of the non-union shops have granted increases to their employees, in line with the increase in union wages arranged in September, so that the rates prevailing at present are generally a little above those of the first part of the year.

Information about the wage rates and the earnings of union workers was obtained from payroll records of employers, as well as from interviews with employees. A summary statement for two representative union shops, derived from payroll records, is set forth in Table 8 of the Appendix. This shows that in August of this year (before the recent wage increase) the average weekly earnings of the majority of the men in these shops (68 of 105) were from \$10.00 to \$20.00. Only 19 of the men earned more than \$20.00 weekly. The main explanation of these low earnings lies in short time, as the figures on hourly earnings show; for 61 of the 86 men for whom figures were obtained on this point had hourly earnings in excess of 50 cents — which would have yielded them full weekly earnings, for a 44 hour week, of \$22.00 or more.

All but three of the 38 women in these shops for whom weekly earnings figures were obtained received less than \$12.50, with 13 of them getting \$7.50 or less. Here, too, short time was mainly responsible for low earnings, for all but seven for whom hourly earnings figures were obtained received 26 cents per hour or more for their work — or the equivalent of \$11.50 or more for a full week.

It was more difficult to get accurate information on the earnings of non-union workers, for it was not so easy to obtain access to accurate and complete employers' records. However, Table 9 of the Appendix shows the average weekly earnings for August of the employees of two small non-union shops, whose books we were permitted to examine. In these shops 18 of the 25 men employed earned less than \$20.00 per week, and all but one of the eight women received less than \$12.50. Since these shops had no records

of the hours their employees had worked it was impossible to calculate their hourly earnings.⁽⁵⁾

Evidence from wage-earners themselves makes it quite clear that in most non-union establishments *wage rates* (e.g. hourly earnings) must have been decidedly lower than in the union shops. Probably weekly earnings were also lower in most instances. The earnings for weeks in August and September reported by 13 men from non-union shops who were interviewed ranged from \$6.72 to \$28.00, and the hourly earnings from 18 cents to 46 cents.

One of the lowest paid men, who was a time worker at eight dollars a week, was a Ukrainian, married, with three dependents in Europe, and had been employed in his shop for six months as a sewing machine operator. Another, who earned \$9.20 and \$8.00 for the last two weeks of August, respectively, was a young side-pocket operator, single, with about four years' experience. The piece rates were so low in his shop, he said, that the workers were compelled to "speed up . . . without taking time off for a drink. It tears you down, so that you don't feel like doing a thing at night". A pocket-maker, married, with two dependents, had kept a notebook record of his earnings during eight weeks of July and August, which ranged from \$6.72 to \$15.40 per week. When he worked full time, 55 hours, it appeared that he made \$13.00 or \$14.00, or about 25 cents per hour. Two tailors, who worked in another shop, married men with families, one with seven years' experience and the other with fifteen, were among the higher paid members of the group, since they reported weekly earnings of \$20.00 each for 50 hours, or 40 cents per hour. The highest paid man, who made \$28.00 for 60 hours, or 46 cents per hour, in one week of August, was an experienced seaming operator with a wife and three children. As a rule, he stated, his weekly earnings were lower, about \$21.00 or \$22.00.

Women workers from non-union shops reported earnings that were generally very low. One of the worst cases of under-payment was reported by a woman, a relatively inexperienced special machine operator, who received a time wage of six dollars for a 44 hour week, or 14 cents per hour. She stated that she had

(5) Most of the small shops keep very careless records, particularly of such an item as hours worked, a matter in which the employer is but little interested if his employees are on piece work. Minimum Wage Board regulations call for records of hours, for women, but in these two shops, and in others, we found that this rule was not observed.

begun work for her employer six months previously at four dollars per week, and had had her wage increased since then. She was married and was supporting one child. Another woman of 37, who had worked with her employer for nine months, was helping a daughter to support a family of four on earnings of \$7.50 for 60 hours, or about 13 cents per hour. A young girl of 17 in the same shop was getting eight dollars per week for 44 hours, or 18 cents per hour. She said that she had just had an increase from seven dollars a week, and that five months previously she had begun to work in the shop at four dollars weekly! In the same establishment, a girl with some four years of experience earned nine dollars weekly for 44 hours, or about 21 cents per hour. In another shop three experienced finishers working as a piece-work team each earned from \$11.00 to \$12.00 weekly during October for from 50 to 60 hours of work each week, or about 20 cents per hour. The highest paid worker of the 40 non-union women interviewed in Toronto, a married woman with nine years' experience, reported average weekly earnings during October of \$16.45 for 49 hours, or about 35 cents per hour.

Table 10 of the Appendix shows the average weekly earnings and the average hourly earnings during October, as reported by 29 of these women, who were all employed in one non-union shop. Of the 29, 24 reported weekly earnings of less than \$12.50, and 19 of them reported hourly earnings of 25 cents or less. Further information on the earnings of women in this shop is presented in Table 11 of the Appendix, based upon the reports of a larger number of workers to the union, which shows a somewhat similar distribution for weekly wage rates.

This table is of further interest because it lists the weekly wage rates of most of the men employed in the shop, as well as the women. The great majority of both sexes, it appears, 29 of 47 men and 40 of 44 women, were receiving \$12.50 or less for a full week's work in the latter part of October. Nineteen of the men and 16 of the women were receiving \$10.00 or less, while only eight of the men and none of the women claimed to earn more than \$15.00 per week. It appears that in this shop, if the reports of the employees may be taken as approximately correct, the men were paid almost as little as the women.

Since the detailed information on wages in non-union shops comes very largely from the reports of the workers who were

interviewed it cannot be taken as absolutely authentic in every instance. Very possibly the workers have given a worse picture of their position than would have been obtained from employers' records, had these been available — or sufficiently complete. But the writers believe that the information obtained from the employees, supplemented by examinations of payroll records in four non-union shops and by interviews with manufacturers and others conversant with conditions in the industry, provides ample reason for concluding that the earnings of non-union workers in Toronto have been exceedingly low of late, far below levels requisite for the maintenance of health and decency, and substantially smaller than the wages of like operators in union shops.

Some information was also obtained about wage conditions in a large non-union factory at Cornwall, which employs some 250 workers. Eight women employees of this plant were interviewed, and they reported wage rates for a 49 hour week ranging from \$4.50 to \$16.00. The lowest paid worker was a young girl of 16 years, who said that she had been working in the factory for five months and was receiving \$4.50 weekly, or nine cents per hour, for doing hand sewing. Another hand sewer, 30 years of age with 10 years of experience, reported weekly earnings of seven dollars for 53 hours, or 13 cents per hour. A machine operator, 25 years of age with 10 years of experience, reported a weekly rate of ten dollars. Two other hand sewers reported weekly rates of \$16.00, or 34 cents per hour. According to statements made by other persons interviewed, who claimed to be familiar with conditions in the factory, a number of girls were earning no more than six or seven dollars weekly, while many married men earned less than \$15.00 per week. It was particularly difficult to obtain information about this shop because the women workers who were approached were very unwilling to talk about wages and shop conditions. One girl explained her reluctance to give information by stating that their employer had warned them not to tell anyone their wages. Nor would those workers who were interviewed give the names and addresses of other employees. Clearly they were dominated by the fear that their employer would discover that they had been giving information and that they would be fired for their "disloyalty". While information for this shop is scanty, it suggests, if it does not prove, that very low wages prevailed for many of the em-

ployees, and that they were in bondage to a ruthless system of industrial feudalism.

With the weekly earnings of the clothing workers so low it would be expected that their annual incomes would be small. It was impossible to obtain from any but a few of those who were interviewed clear statements on their annual earnings, and the only reliable information on this point comes from the payroll records of two union shops in Toronto. The figures on this point for 1932 that are presented in Table 12 of the Appendix refer to workers who were on the payrolls of these shops at the beginning of 1932 and at the end of the year, and do not cover workers who were engaged for only a part of the year. The table shows that 27 of the 115 men in the two shops earned \$600 or less in 1932, that 57 earned \$800 or less, that 86 earned \$1,000 or less, and that only 14 earned more than \$1,200; while 16 of the 39 women earned \$400 or less, 36 earned \$600 or less, and all earned less than \$800. Short time, of course, was the main reason for these low earnings. There seems no doubt, in view of the much lower wage rates of the non-union workers, but that their annual earnings must have been even lower, in most instances, than those of the permanent employees of the two union shops.

HOURS OF WORK

In Toronto the normal working week of the union shops and practically all of the non-union shops is 44 hours. One large non-union shop reported a normal working week of 44 hours for men and 54 hours for women. One shop at Cornwall had a full-time working week of 49 hours, according to statements of workers who were interviewed.

But as it has been pointed out already, short time has been most common in the industry, and the great majority of Toronto shops do not appear to have worked anything like 44 hours per week, on the average, during 1932 and 1933. During this period there has been a great variation in working hours from week to week. With the substantial increase in business in 1933, there has been such a volume of work for some of the union shops that they have worked distinctly longer hours in certain weeks. Thus the weekly work period of the coat shop of the largest Toronto firm in the industry varied from 11 hours to 67 hours during the first

six months of 1933. Although the average weekly hours during this period were only 35, there were several weeks when hours of work in the shop exceeded 50. In October this firm had a permit from the Provincial Department of Labour to exceed the ordinary legal limit of 60 hours of work per week for its women employees.

As for the non-union shops of Toronto, it appears that regular working hours mean very little to many of them. Most of the workers are paid by the piece and they work when there are jobs to be done. According to information received from various sources the employees would work for very long hours on occasions — and would be glad of the opportunity since it gave them a chance to increase their meagre earnings. Thus employees from one shop reported working for 60 hours or more in some weeks of the summer of 1933. Those from another stated that in August and September night work was common up to 9.00 p.m., and that on some days they worked for 13 hours. Two other non-union shops were prosecuted in May by the Factory Inspection Branch of the Department of Labour for working women employees at night. According to reports for another non-union shop, it was common for employees to work on busy days until 10 or 11 p.m., and on one occasion last spring the shop worked until 2.00 a.m. In this shop, it was stated, work was ordinarily slack on Monday and Tuesday, but it increased during the latter part of the week, so that on Thursdays and Fridays night work was very common.

In still another non-union shop where the full working week for women was set at 54 hours, the firm's records showed that this number of hours was attained only in occasional weeks and that usually workers put in much less time. However, employees from this shop who were interviewed stated that it was not uncommon for them to work overtime until six or seven o'clock in the evenings.

Thus it appears that long hours of work, including work at night, were not unusual in the summer of 1933, in a period when the great majority of the workers did not attain anything like full time, on the average. The apparent paradox of long hours on certain days and in certain weeks, side by side with short time, arises out of irregularity of the industry. Particularly in the non-union shops it appears that work was rushed through as fast as possible on those occasions when it was available, even if this meant a severe strain upon the employees. The great irregularity

in their hours of operation is clearly a reflection of bad organization in many of the shops as well as in the industry itself.

SHOP CONDITIONS

The larger establishments and many of the smaller ones in Toronto are located in well-constructed modern or semi-modern factory buildings which generally provide basic conditions of work, such as light, ventilation, heating, toilets and lavatory facilities, that are satisfactory. And in most of them, particularly the union shops, those conditions of work that come very directly under the control of the employer appear to be fairly good, — so far as our inspection of a number of establishments and the information obtained from workers could reveal. But conditions were found in several non-union shops that were distinctly bad.

Workers from one union firm that we interviewed made no complaints at all about shop conditions. Those from another said that conditions were "fair" or "good", but that there were not enough towels in the washroom, that there was only one drinking fountain for a large number of employees, and that fans would help very much in the summer — all of which were relatively minor complaints. Some of those from a third shop complained definitely about the absence of drinking cups and towels, and about "rather filthy" toilets.

Workers from two non-union shops made serious complaints about working conditions. Those from the first, a large establishment, said that in some parts of their shop machines were placed so closely together that there was serious crowding of the workers. They claimed also that the elementary physical amenities were lacking — that neither towels nor soap were provided in the washroom, that there was no drinking fountain and that no cups were provided, so that workers had to bring their own glasses or pop bottles, and that there was not even toilet paper in the lavatories. They complained also that the ventilation in some parts of the factory was bad, that the air was often contaminated with gas which escaped from leaking gas pipes, and that when windows were opened there were serious drafts. A number of them also stated that there were cockroaches in the shop and that some employees had found it necessary to stop bringing their lunches to work because the cockroaches got into their food. This meant that it

was necessary for them to buy lunch at a nearby restaurant at an expenditure of from 15 to 30 cents per day, which was a severe burden when their wages were so small.

The worst conditions that were discovered prevailed in another non-union shop, most of whose employees were interviewed. These workers were practically unanimous in stating that toilets in the shop were filthy, that there was only one dirty sink for purposes of washing, that a tap in this sink was the only place where drinking water could be obtained, that no drinking cups were provided, and that workers had to furnish their own glasses or pop bottles. An examination of this factory by one of the writers indicated that their complaints were well justified. The shop is located on the second floor of an old factory building, and on the day that it was visited its interior appearance was far from clean. Piles of cloth and partly completed garments were lying on the floor in more or less disorganized fashion, workers were crowded together in a limited space, the office was untidy and dirty, the firm's records were sloppy, and the general impression that the visitor received was very unfavourable. Wage rates at this shop, as revealed by workers' statements and examination of the firm's books, were very low, and the hours of work were sometimes very long. Probably the term "sweat-shop" could well be applied to this establishment.

We were informed that there were a few "home shops" in Toronto, but we discovered only one of them. A father and several sons and daughters had converted the two front rooms of their house into a small shop and were doing contract work on vests. In this instance the family concerned has clearly sacrificed living accommodation to an industrial purpose and the social consequence of this could scarcely be good, whatever the immediate economic advantage to the members of the family.

While our investigations of shop conditions were not extensive or detailed, they did serve to show that in Toronto there is a distinct tendency for conditions to be worse in the non-union than in the union shops. It is quite clear than in these establishments, where low wages, irregular work, and occasional spells of long hours prevail, there is frequently little or no concern for the ordinary physical amenities. Nothing that is not absolutely necessary is done to advance the health, the comfort or the welfare of employees.

SOCIAL CONDITIONS

The social effects of the conditions of employment, earnings, hours, and work which have been described have been serious in the extreme. An effort was made to obtain from the workers interviewed some account of their living conditions, and the replies to our questions revealed, at best, a picture of cramped and narrow livings; at worst, one of abject poverty and insecurity.

Practically all of the workers reported a drastic decline in standards of living during the depression. The great majority of both union and non-union workers reported that they had incurred indebtedness or that they had fallen behind in payments on taxes, rent, mortgages and other items. A number reported that they had formerly remitted funds to Europe for the support of their families but that they had been compelled to give this up or to cut down their remittances seriously. Many stated that they had lost insurance policies, several that they had lost small businesses, and several that they had lost their homes. Only a few, it appears, had ever had homes to lose; for not many had been home-owners in the days of relative prosperity.

The very low standards of living of the workers that were interviewed are reflected in their reports about housing. The great majority said that they were living in "rooms" or "flats" rather than in separate houses. Five married men from one low wage shop reported as follows on their housing. The first was married with a wife and four children to keep and lived in four rooms, one of which was rented. He was drawing public relief for food since his earnings were insufficient to support his family. The second had a wife and one child to support and lived in a two room flat. The third had been compelled to break up his home in Montreal, had sold his furniture, and had left his wife and three children behind, while he came to Toronto to look for a job. The fourth had three dependents and lived in two rooms. The fifth, also with three dependents, was living in three rooms. While the housing conditions of married men working in other shops did not appear to be so bad on the average as those of these five, the interviews generally revealed that the workers and their families were compelled to live under distinctly crowded conditions.

Such a matter-of-fact statement can give the reader who is unfamiliar with housing conditions in working-class Toronto little

conception of the circumstances in which these people live. The "flats" or "rooms" to which they referred were located on mean streets in Toronto's "Ward", where old brick houses that were once single family dwellings have been made to serve the needs of several, or of many, families. Typically the interiors of these houses are now in disrepair, they lack adequate toilet and washing facilities, they are poorly heated, and their various "flats" have only makeshift cooking arrangements — perhaps a gas plate in a room used also as a bedroom. Toronto, unknown to many of its substantial citizens, has slums; and many of the clothing workers we interviewed were among its slum-dwellers!

The interviews also brought out the fact very clearly that nearly all of the workers had dependents to support, so that their meagre earnings had to provide for more than their own personal needs. Out of 65 employees, (men and women) that were interviewed in September, 52 reported dependents to the total number of 198, or almost four dependents per person.

Not only the men, but also the women, had dependents or were contributing to the support of families. A great many of the women were married and in many instances their husbands were unemployed and they were the sole providers for their families. Very few of the single women had only themselves to support, for in most cases they were contributing to families in which other adults were unemployed. Out of 30 women from one shop who were interviewed in October, 21 were married and were the sole providers for their families, or were helping to support them; eight were single but were helping to support their families; while only one girl had no dependents and no family obligations! A number of the married women from this shop had gone to work during the depression because their husbands had lost their jobs. The evidence obtained from our interviews suggests very definitely that the people from whom labour for the clothing industry is obtained find it necessary to send their married women out to work as a means of raising family incomes to a point necessary for subsistence. The effects of this upon home life and child welfare are bound to be thoroughly bad.

Six of the 30 women mentioned in the last paragraph, all employed in the same low wage shop, belonged to families that were drawing public relief at the time that they were interviewed. Their earnings were quite insufficient for them to meet their fam-

ily obligations. Some of them were young girls, of course, and it could not be expected that they would be able, single-handed, to look after large families. But in one case where both mother and daughter were employed in this shop public relief was also necessary to keep the family going.

A few of the other employed workers who were interviewed also belonged to families that were drawing public relief. It is clear from this, and from other information, that the combination of unemployment, short time and low earnings, has made self-support impossible for a good many of the clothing workers and their families during the last two or three years. The union has endeavoured to meet the problem by working out a relief system of its own for destitute members, and has disbursed some \$30,000 in relief since 1930. In 1931, 138 members received union relief to the extent of \$8,660. In 1932, the number drawing relief was 267, and the amount \$14,374.50; and in 1933, up to the end of September, 146 members drew relief to the amount of \$7,242.40.⁽⁶⁾ To the extent that it has succeeded in meeting the needs of its unemployed or partially employed members, the union has evidently kept down the demand for assistance from the public relief offices.

(4) *The Quebec Situation.*

Our information regarding labour conditions in the Province of Quebec was obtained from sources similar to those used for Ontario. Thirty-one establishments were investigated in some degree, and one of the writers or his assistants made personal visits to twelve shops within and five outside Montreal. The cities of Quebec, Sherbrooke, Stè. Hyacinthe and Hull, as well as smaller towns and villages such as Joliette, Victoriaville, Ste. Therese, Ste. Rose and St. John's, have clothing shops that were brought to our attention. Sixty-one workers were interviewed, 50 from four Montreal shops and 11 from two country shops, one in Joliette and one in Ste. Rose.

While the industry, as has been shown, is concentrated largely in the City of Montreal, the competition of the shops in other towns and villages in Quebec is a very important factor in determining working conditions generally. The country shops have

(6) Figures supplied by the Toronto Branch of the Amalgamated Clothing Workers.

lower rents to pay, operate under lower minimum wage schedules, are undoubtedly less supervised by government inspectors charged with the enforcement of hours and wages regulations, and can obtain an abundant supply of cheap labour amongst the French Canadian population. They compete in the Montreal market, and the Montreal employer, particularly the better type employer, is continually under pressure to meet their competition by reducing his labour costs.

Two other factors have tended to lower the standards of the workers in the Province of Quebec. One is the great importance of the contract shop. We have seen that most of the work in Ontario is done in "inside" shops, that is, by workers employed by the manufacturer on his own premises. A great proportion of the work in Quebec, both in Montreal and elsewhere, is done in contract shops. From information supplied by the Montreal Clothing Contractors' Association and the union we estimate that at least 2,000 workers in the province were thus employed in the autumn of 1933.⁽⁷⁾ By its nature the contract shop lends itself to the worst evils of competition. It is small (the average number of employees for 95 contractors we found to be 20) is housed cheaply, can easily be set up, moved or closed down, and requires very little in the way of overhead. The contractor's principal concern is the cost of his labour, since he neither buys materials nor sells completed garments. Consequently competition between contractors becomes almost entirely a question of competition in forcing down labour standards, and this process has proceeded unchecked during the depression. This means that a shift from town to country is a comparatively simple matter for the contractor. Cheap labour is the magnet that attracts him.

The other factor which helps to explain the poor conditions in Quebec is the union situation which prevailed until September, 1933. From 1929 the Amalgamated had grown progressively weaker in Montreal, until finally in 1932, it was practically displaced by a rival union, the United Clothing Workers. Employers could, and did, play one union off against the other, and the competition between the two made any systematic enforcement of wage agree-

(7) This figure is much greater than that of 702 given us by the Dominion Bureau of Statistics for 1932. (See Table 7.) We can only presume that the Bureau did not succeed in getting reports from all the contractors. This is very probable in view of the large number of small contractors who would be difficult to discover and unlikely to send in reports.

ments impossible. This condition was overcome by the strike called by the Amalgamated on September 5, 1933, to which 4,000 workers responded. At the end of four days a new agreement was reached with the employers calling for a 44 hour week in Montreal and a 20 per cent increase on existing wage rates, with further concessions from employers to take effect from December 1, 1933. The Amalgamated now has control of about 80 per cent of the industry in Montreal. The country districts, outside of Joliette and a few isolated shops elsewhere, are still non-union. Most of our information for Quebec is for the pre-strike period, though some of it is later and in some cases we have data for both periods. The expressions "pre-strike" and "post-strike", when used in the following pages, refer to the strike of September, 1933.

WAGES AND EARNINGS

The evidence from all sources in regard to wages and earnings in the Province of Quebec reveals in a startling manner the straits to which the garment workers have been reduced in the past four years. It is to be expected that unemployment and under-employment should add to the workers' burden of poverty. But what is perhaps most striking is the low standard of living of large numbers of workers in Quebec even when fully employed.

In Tables 13, 14 and 15 of the Appendix we list the average weekly and hourly earnings of workers in three union shops in Montreal during the summer of 1933. In shop A, 23 men out of 49 and 15 women out of 31 are seen to have received less than \$10.00 per week, on the average, during August. Thirty-three of the men and 27 of the women were working at hourly rates of 30 cents and less, almost half the women receiving 20 cents and under. Table 14 shows figures for shop B, which makes a higher grade garment; the figures are for June, since the shop was closed during August and on short time during July. Here, in the full working week, 7 out of 17 men received \$20.00 and less, and 7 out of 8 women \$15.00 and less. In shop C (Table 15), which makes so good a garment that it can hardly be considered representative, the hourly rates are seen to be high by comparison with the others, and yet only one man out of 14 earned more than \$10.00 in the week and not one of the 12 women more than \$7.50, on the average, during August, 1933.

The figures for this shop reveal in a striking manner the effects of under-employment, for the low weekly earnings were a result of short time, rather than of very low wage rates. They also suggest that the workers in such a shop, where relatively good rates prevail, have suffered seriously from the competition of the low-paid labour in shop A and its kind, which have drawn work away from them. Shop A, which paid the lowest wages and made the poorest garment, was the only one of these three to operate on full time during the month of August.

The figures given above were all obtained directly from the books of the firms themselves. If we turn to evidence of another sort, derived from wage reports to the Minimum Wage Board, by firms reporting under Order Number 8 (those on the Island of Montreal and within a 10 mile radius) we see from Table 16 that of 122 women workers employed by six firms 79 were working for rates per 44 hour week of \$10.00 and less. These rates were being paid during various weeks from January to June, 1933. The figures in this table give wage rates only and not actual earnings. The earnings, for those weeks covered by the reports, are listed in Table 17 for five of these shops; here it will be seen that 53 out of 59 workers received \$10.00 and less, 45 received \$8.00 and less and 25 of them \$6.00 and less. These shops were all operated by contractors.

In another small Montreal contracting shop (eight men and three women) for which we have reports from workers and information from the union, there was only one man receiving more than 25 cents per hour, and only four other workers received as much as 20 cents, after the strike in September. Before the strike, when the shop was non-union, our questionnaires show only three of the eleven workers being paid 20 cents and over, the other rates varying from eight cents per hour upwards. A similar tale is told by union figures for a shop of eight, where one worker received 34 cents per hour, two from 24 to 27 cents, and all the others under 15 cents. In the latter shop no worker was reported as having less than five years' experience in the trade. One man of 17 years' experience was being paid \$6.00 for 55 hours' work.

Even more startling figures are shown in Table 18, which is based upon reports from workers in an inside contract shop⁽⁸⁾ in

(8) A shop where a contractor operates on the premises of the manufacturer for whom he works.

Montreal to union officials. A glance at this will reveal what conditions were like in a Montreal sweat-shop before the September strike of 1933. Eight experienced workers worked 70 hours and over per week, and only three of them made 20 cents in the hour, none over 27 cents. The two highest paid men received 30 cents in the hour, after 25 years at the trade. One woman of five years' experience was employed at nine cents and a man of 10 years experience at 10 cents per hour.

It is true that these figures come only from the workers themselves through the shop-chairman to the union, but we have questionnaires from 15 workers in the same shop that substantially confirm the figures given. One woman aged 25 years and with nine years' experience told us she was working 55 to 65 hours a week, and making \$4.50 to \$6.00 by it; in the preceding eight months she estimated her earnings as about \$175.00. Another woman, 31 years old and six years at the trade, estimated her earnings as \$32.00 per month for the preceding seven months (e.g. April to October, 1933). Twelve pay envelopes produced by one of these workers, a man of 27, ranged in amounts from \$9.55 to \$17.35 and averaged \$14.40. The envelopes did not show the hours worked but he stated that his average had been about 70 hours per week from January to September.⁽⁹⁾ A young man of 23, working 60 to 70 hours a week, was supporting a wife on an average weekly wage of \$12.00; and another man of 40 was maintaining a family of five (himself, his wife and three children) on an average from March to September of \$14.00 per week.

An interesting Table is Number 19, which shows the provisional agreement made by the Amalgamated with a Montreal shop after the strike of September, 1933. This establishes basic rates for a 44 hour week. It shows 13 out of 18 workers at 25 cents per hour, or \$11.00 and less per week. This indicates how little the strike alone was able to effect in the way of establishing decent wage conditions in some of the smaller shops. It was the intention of the union, when the agreement was negotiated, to raise these rates gradually to a proper level.

(9) Some of these envelopes come from the Bank of Montreal. On them are instructions to the worker, in these words: "Build up a Fund for the Future. Be Prepared for Opportunities and Emergencies — possibly Actual Necessities. Build with a Savings Account at Canada's oldest Bank". The Royal Bank envelopes show how \$1,000 can be saved in 4 years, by depositing \$4.58 per week. No doubt these admonitions to thrift are much appreciated by the workers!

If we leave Montreal and turn our attention to some of the country establishments an even worse picture is presented. In Table 20 is shown weekly wage rates of 249 female workers in seven firms reporting to the Minimum Wage Board during the period March to July, 1933, from towns of 15,000 population and over outside the Montreal district. Nearly half (120) were working on a rate of \$10.00 and less for a 50 hour week (e.g. 20 cents and less per hour). There were only 17 receiving \$15.00 and over. Actual earnings for 110 workers from six shops in this group, for one week per firm in the months from March to July, are shown in Table 21. As usual the earnings were below the rates for a full week: 79 out of 110, or nearly 72 per cent, earned \$10.00 or less, and only 10 received over \$12.00. When it is remembered that the employer chooses the week for which he will report, it will be seen that these figures are probably unrepresentative, because the employer is likely to send in a statement for a week of relatively good earnings. Tables 22 and 23 show the corresponding figures for 547 female workers in shops operating in municipalities of less than 15,000. The rates listed in Table 22 are for a 55 hour week. Here 311 workers, or nearly 57 per cent, are listed at \$10.00 or less (e.g. 18 cents per hour or less), and Table 23 shows the actual earnings of 382, or nearly 70 per cent, as \$10.00 or less.

Figures for three particularly bad, though by no means unrepresentative, country shops are shown in Tables 24 and 25. These were obtained from the pay sheets of the firms themselves, and thus are as reliable as any such information can be. For one of them, a shop in Ste. Rose, interviews with workers and pay envelopes provide additional evidence. In the first shop, in Joliette, more than half the women (24 out of 44) were working before the strike of September at rates of 10 cents per hour and less, and 6 out of 26 men were similarly rated; while 41 of the women and 12 of the men were at 15 cents and less. Only two men and one woman out of 70 workers received more than 25 cents per hour. Figures for the other two shops, one in Joliette, and the other in Ste. Rose, tell a similar tale. Only 7 workers out of 34 in the second Joliette shop received more than 15 cents per hour. After the strike hourly rates rose slightly in the lowest brackets, but little real difference was made. Table 25 of actual earnings shows what the workers were paid during two weeks, one just before and the other just after the strike. Nearly one third of the workers

in the first shop received \$5.00 and under before the strike; while 52 out of 77 were paid \$7.50 and less. This was during a full working week of a shop whose normal period is 55 hours, and in which, as will be seen from Table 26, nearly 60 per cent of the employees worked over 55 hours. In the second Joliette shop not one worker out of 34 was paid more than \$12.50 although nearly half of them were employed 55 hours and over.

Our interviews with some of the individual workers in these shops only help to fill in details. In one Joliette shop we found a family of six (two female and four male) employed on various operations. They stayed every night till closing time, and put in hours running as high as 72 in a week. Their wages were listed in the books as four at \$2.00, one at \$5.00 and one at \$7.00 regardless of hours worked. One young girl of 19, in Ste. Rose, had been receiving \$2.00 for 55 hours' work before the strike, or less than four cents per hour. She was an orphan, with two young brothers in a local French Canadian academy and one sister working. At that rate she could not even pay the \$4.50 per week which her room and board cost her, and had to be helped by the sister. After the strike her wages rose to \$6.00. In the same shop a widow of 39, sole support of four children, was earning \$9.00 to \$10.00 for about 60 hours' work. As she lived in Montreal she had to take another hour or hour and a half each day, and pay the cost of transportation to and from her work. We have 31 envelopes from four women workers here; they range in amount from \$1.72 to \$5.54. The latter amount was for 68 hours' work, and the hourly rates of the four ran from eight to ten cents.⁽¹⁰⁾ One of them was the daughter of a farmer with six children; her efforts added about \$3.00 per week to the family budget. There seems little doubt that in the country districts of Quebec girls from farms are obtainable at very low rates owing to their ability to live at home. Every additional dollar is to them so much money found. The farm itself is thus in effect subsidizing the employer and assisting him to drive down living standards in the industry as a whole.

We were unable to secure any reliable figures as to annual earnings from the workers themselves or from representative shops in Montreal. Hardly any workers seemed to think in terms

⁽¹⁰⁾ These envelopes were from the Banque Canadienne Nationale. Its advice to these unfortunate workers is: "You work hard for your money. Keep it. THINK OF TOMORROW. Divide your pay in two. Take what you need to live. Put the balance in safety."

of a year; they are compelled by the smallness of their wages, which leave no margin for saving, to live from week to week. Many firms we inspected kept totally inadequate books. A proper system of book-keeping for hours and wages would seem to be necessary if ever the industry is to be intelligently controlled. This is now required by law⁽¹¹⁾ for all employers subject to the Minimum Wage Act, but clearly has not yet been generally adopted.

In concluding our account of wages and earnings in Quebec we may say that we had no opportunity to determine to what degree the manufacture of garments is being carried on in private homes. Mr. W. L. MacKenzie King found this practice to exist in 1898. We have some evidence that it has not died out. One worker we found who had been, until 1932, working at home with her mother for the previous ten years, making boys' pants for a contractor. A social service official in Montreal informed us that a woman who had applied for relief this year was discovered to be working on boys' garments in her home, performing an operation for which she received 25 cents a dozen. Mr. Francq of the Minimum Wage Board stated that he had heard of garments being delivered in vans from door to door, like milk or bread, and collected later by the contractor. One of the writers was taken to a house in Montreal, where in a basement room lit only by a glaring electric light, a man, his wife, and a girl were working beside a pile of garments. To trace this kind of work would be extremely difficult. We refer to it simply as being the sort of competition which is always possible in the present uncontrolled state of the industry. It may safely be assumed that, to the extent the practice exists, it is being carried on at wage rates below those obtaining in the ordinary shops. Neither the Minimum Wage Laws nor the Factory Acts extend to private homes where no strangers are employed.

HOURS OF WORK

In the better Montreal shops working on union agreements the 44 hour week has prevailed since the September strike. Overtime was being paid for at ordinary rates at the time when this report was being prepared, but in these well-run establishments its amount was not sufficient to lengthen seriously the working day.

(11) Order-in-Council No. 743.

In the smaller and poorer shops, however, extremely long hours were discovered in some instances, and the same is true of the country shops which we investigated. It should be remembered that throughout the Province of Quebec 55 hours per week is the legal maximum for women and children in industry.

In Table 18 is shown the hours prevailing in a fair-sized Montreal inside contract shop in one week of August, 1933, before the strike. Out of 31 workers, 11 were working 54 hours and less, 7 were working from 55 to 64 hours, and 13 were working over 65 hours. In another contract shop, according to reports from workers interviewed, hours ran from 55 to 70 per week. We found an extreme case of a head presser who was working day and night, snatching a few hours' sleep from time to time in the shop, and working over 100 hours in the week. A considerable number of such shops must have been in existence before the strike, and no doubt might still be found amongst the small non-union shops in Montreal. Hours such as these, of course, would prevail only when there was work on hand; we know that one of the shops we have mentioned used to close down entirely in slack seasons.

The evidence of hours worked in country shops in Quebec shows a great deal of irregularity, reflecting the seasonal character of the industry. One thing is clear, however, and that is that these shops will work excessive hours when there is work to be done. We have evidence that 176 female employees in a shop in Victoriaville worked on an average 55 to 60 hours per week in March, 1933; and that 46 women in one shop in St. John's averaged 56½ hours in one week of May, 1933. Table 26 shows the distribution of hours of employees in two shops in Joliette and one in Ste. Rose during certain weeks of August to October. The figures tell their own tale. A considerable majority of the workers of both sexes in the Joliette shops were employed 55 hours and over, almost 14 per cent being employed 65 hours and over. The case of the family of six, each member of which was working about 72 hours, has already been cited.

An interesting point disclosed by Table 26 is that the post-strike hours in one of these shops were as long as the pre-strike hours. In this case the union had placed the shop after the strike on a 48 hour week, but had been forced to concede the employer 15 hours' overtime for the balance of the season. This is evidence

of the difficulty the union meets in attempting to enforce proper standards in the country shops.

SHOP CONDITIONS

In the matter of shop conditions, as in wages and hours, the difference between the better and the worse shops is very great. We visited two well-run establishments in Montreal, where the layout of the machines was carefully planned, the lighting and heating arrangements were fully satisfactory, the toilets modern and clean, and the comfort of the workers was clearly an important consideration of the employer. One of these shops had a lunch and rest room, but this had been abandoned under pressure of competition during the depression, with the result that we saw a number of employees during the lunch interval sitting beside their machines to eat their scanty meal. Even in these good shops it must be remembered that piece-work is general, so that the pressure of work upon the employees is severe. The writer was struck by the appearance of haste, strain and anxiety on the faces of many of the workers working under what are called good conditions.

The ordinary small contracting shops in Montreal also varied considerably in their facilities and conveniences. A number of them are located in some of the large buildings — such as the Caron Building on Bleury Street, and here the conditions are relatively good. Overcrowding was usually the main difficulty. Besides these better located shops we saw several in poorer parts of the town, where the conditions were definitely bad. One shop on St. Lawrence Street was reached by two steep and dirty staircases, leading into a room lighted only by windows in the rear. The toilets here were filthy, and entirely boxed off from daylight and ventilation. One sink provided drinking facilities. The whole surroundings of the workers were drab and sordid.

Another shop, definitely in the sweat-shop class, was carefully inspected by two of our assistants. It belonged to a small coat contractor, who worked there with his wife and eleven employees, eight male and three female. It was situated in the basement of a house, the only sources of ventilation being two doors, which were normally closed, a front window and a back window, the latter being partly boarded up by two toilets built around it. There was

no plan to the lay-out of the machines, each worker being given just enough room for his or her operation. Piles of garments and scraps littered the floor, making it difficult to pick one's way across the room. The only heat came from a small stove in the centre, and artificial light had to be used at all hours. A single sink served for washing and drinking purposes. The general impression left by the disorganized overcrowding, foul air, absence of sunlight and piles of cloth was one of complete and utter disregard for the welfare and comfort of the workers. Driven by the iron law of competition, the employer could think of nothing but keeping down his costs.

The fact that struck us most about this shop was that the workers, when questioned, had no complaints to make about their conditions of labour. They were all Poles, most of whom had never worked under any better conditions, and who, going home in the evening to rooms for which they were paying from \$4.00 to \$7.60 per month, must have found little contrast between their day and night quarters. By such shops the pace is set in the relentless process of driving down living standards.

The country shops that we visited were for the most part roomier, better ventilated and with more windows and daylight. In one the danger of fire seemed very great, since it occupied three floors of a wooden building, the only access from floor to floor being narrow wooden stairs. No doubt the lower rents in the small towns and villages make it easier to provide more tolerable quarters.

SOCIAL CONDITIONS

Everything which has been said above in regard to the social effects of the depression on the clothing workers in Ontario applies with equal, if not greater, force to the workers in Quebec. We found universal agreement as to the great decline in living standards, except amongst some of the lowest paid immigrant workers who apparently had always been accustomed to abject poverty. One man, now trying to support a wife and three children on wages that in August averaged \$15.00 to \$18.00 for 52 hours, had lost his house, a building lot in which he had invested, a 15 year endowment policy and about \$800 of savings. Another, sole support of wife and child with wages averaging \$9.00 weekly, had

used up the whole of the \$2500 he had managed to save during the boom years. Yet another, trying to maintain his mother and unemployed father, reported telephone disconnected and radio repossessed. These are but samples of general conditions — except that we found only a small number of workers who seemed ever to have had insurance. Very few even reported bank accounts. Living expenses use up their weeks' pay only too quickly.

Here and there we would find workers who were still living tolerably despite poor wages. In these cases there would usually be a family with several wage-earners, living together and pooling their resources. Often this meant serious overcrowding in rooms.

(5) *Summary.*

The sad plight of the men's clothing workers has been revealed in the preceding pages. We have seen that unemployment, which plagues them even in good years, has fallen upon them with unparalleled fury during the depression, so that for the last two or three years there has been, perhaps, no more than enough work to keep half the Toronto workers steadily employed. Our information, while it is not conclusive, suggests that there has been less unemployment in Montreal and the Quebec area generally than in Toronto, as might be expected by virtue of the low wage competition of Quebec manufacturers drawing business away from Toronto, where better labour standards have prevailed.

But if labour standards in Toronto have been better than in Montreal and in the Quebec country districts, this is not to say that they have been good. On the other hand, we found that in union shops wage reductions and short time had cut weekly earnings for most of the men and women to no more than \$10.00 to \$20.00 in August of this year; and that in non-union shops the situation was much worse, with some men and women earning as little as \$6.00 and \$7.00 per week for full time, or 15 cents per hour or less, and with full-time rates of \$10.00 to \$15.00 for men and \$8.00 to \$11.00 for women very common. In Montreal we found men working for as little as 10 cents per hour, and women for eight and nine cents, with weekly earnings that were less than \$15.00 for the majority of the men and less than \$10.00 for most of the women covered by our study. In Quebec country shops we found women earning as little as four cents per hour, and large

numbers of them about 10 to 15 cents per hour, or \$5.00 to \$8.00 per week; while men were also paid less than 10 cents per hour in some cases, with the majority of those covered by our study earning no more than 20 cents per hour, or about \$10.00 per week.

Preliminary census of industry figures for 1932, supplemented by the weekly wage data and the yearly earnings data we have been able to obtain, make it possible to hazard the estimate that the average annual earnings of the workers employed in the industry in 1932 and 1933 can scarcely have exceeded \$600 or \$700 for each of these years. We have seen that in two Toronto union shops, where wage rates were relatively high, about half of the men earned less than \$800 in 1932, and all but three women less than \$600. Most of the men have dependents to support, and many women, perhaps most, are also supporting dependents. In view of this, what the wage figures mean in terms of living standards may be imagined when it is recognized that the most modest "minimum health and decency" budgets for a man and wife and two or three children call for expenditures of at least \$1,300 or so per annum at present prices, in Toronto and Montreal;⁽¹²⁾ and that the Minimum Wage Boards of both Ontario and Quebec state that \$12.50 per week, or \$625 per year is required, at a minimum, for independent self-support by a working woman living in these cities. The great mass of the clothing workers and their families, in both Ontario and Quebec, have never been within reach of these modest "minimum" standards of living in these last two or three years. Instead, they have been reduced to the most dire poverty; and many of them to the necessity of begging for public or private relief.

But with low wages and short time, we have seen, go long hours. In Ontario we found some instances of weekly hours as high as 60 in non-union shops, although shortage of work made long hours uncommon. But in Quebec we found many cases of men and women working 55, 60 and 65 hours a week or even more, rushing to get work through while there was work to be done. Nothing could show more clearly the disorganized state of the

(12) The Department of Labour, in 1929, presented figures to the Industrial and International Relations Committee of the House of Commons to show the annual costs of various standards of living for a family of five, as follows: "poverty", \$900; "minimum subsistence", \$1,400; "health and decency", \$1,775; "comfort", \$2,400. In view of reductions in living costs by 20 to 25 per cent, comparable figures for 1933 would be, respectively, about \$700, \$1,100, \$1,400 and \$1,900.

industry than this — that in a period when there was not nearly enough work to keep all the workers employed, yet there were some who laboured far beyond any reasonable limit of time.

Shop conditions, we have seen, were far from good in some shops — and in some they were thoroughly bad. In many shops there was little or no evidence of concern on the part of the employer for the welfare of his workers. Against bad conditions the workers were powerless to complain. Terrified by the danger of losing their jobs, they dared not ask concessions that might lose them favour with “the boss”, whose power to act as petty tyrant over them has been vastly increased.

It is to conditions such as these that the depression and the fierce competition of their industry have reduced the clothing workers. Conditions we found to be generally better in the union than in the non-union shops; and in Ontario than in Quebec. But the poorest type of sweat-shop has forced the pace in cutting labour standards and all establishments in the industry have been affected. In 1898 Mr. W. L. MacKenzie King found that military clothing was being made for the government under the most disgraceful sweat-shop conditions, by workers who laboured insufferably long hours for a pittance of a few dollars a week. Many of the gross evils that he exposed in his report have re-appeared in the industry in 1933.

SECTION III

THE PROTECTION OF LABOUR

We turn next to examine the instruments which exist for the protection of labour in the industry, labour legislation and trade unionism.

In both Ontario and Quebec the clothing workers have certain labour laws to protect them. Both provinces have had factory acts for many years to regulate factory conditions, and both have minimum wage acts for women. And in the two provinces, as we have seen, a great many of the wage-earners are organized in a trade union, The Amalgamated Clothing Workers of America.

The adequacy—or the inadequacy—of these protective instruments will appear in the separate accounts of their operation in the two provinces of Ontario and Quebec which are given below.

(1) *Labour Legislation in Ontario.*

The Ontario Factory, Shop and Office Building Act contains a number of important regulations of interest to our study. It prohibits the labour in factories of children under the age of 14 years and prescribes conditions under which those from 14 to 16 may be employed. It forbids the employment of boys or women for more than 10 hours daily or 60 hours weekly, as well as their employment after 6.30 o'clock in the evening. However, it is also provided that as "the customs or exigencies of the trade require" they may work, under permits, as long as 12½ hours per day and 72 hours per week, provided that they are not employed before 6.00 o'clock in the morning or after 9.00 o'clock in the evening. The Act also forbids overcrowding and dirty conditions in factories. It provides further that employers must provide clean toilet and other physical amenities such as "a washroom, clean towels, soap, and a sufficient supply of wholesome drinking water and proper cups for the employees." Still another provision of the Act of some interest for our purposes is that each employer must keep a register of all those employed.

It is unnecessary to undertake a detailed discussion of all the provisions of this comprehensive Act which affect the employment and the conditions of work of those in the men's clothing industry. Many of these provisions should be quite satisfactory to those that

have the interests of labour at heart. However, there are some of them that express only very low standards of employment. One of the provisions most open to criticism is that which permits the employment of women and boys for 60 hours per week, or even for 12½ hours per day and 72½ hours per week, under permits which may be granted by the Provincial Department of Labour if the "customs or exigencies of the trade require". One can say no more of such regulations than that they are relics of the dark ages of industrialism,⁽¹⁾ and that a province which permits legally such long hours of work for boys and women has no right to boast of its advanced social legislation. It should be noted also that the Ontario Factory Act does not limit the working hours of male employees at all.

The enforcement of the factory code is carried on by the Factory Inspection Branch of the Department of Labour. Inspectors of this branch are required to visit all factories in the course of each year and to satisfy themselves that there are no evasions of the Act.

The evidence presented in the preceding section shows that recently there were violations of the Factory Act in men's clothing establishments in Toronto which were not detected by the Factory Inspection Branch. A number of the shops have certainly violated the provisions of the code relating to hours of work and night work for women, and others have failed to comply with the regulations regarding sanitary facilities, washrooms, towels, soap, and drinking cups. Conditions of cleanliness in at least one of the shops which were visited were such as to make one suspect that it was a long way from living up to the general provisions of the code relating to crowding of employees and sanitation; and reports from workers suggested that there were others which were in a similar position.

The head of the Factory Inspection Branch informed one of the writers that his branch had not had much trouble with the men's clothing industry until recently; but that during recent months there had been complaints about shops working at night and that his inspectors were making particular efforts to detect violations of the law on hours of work. The enforcement of these regulations is not easy if employers want to evade them, since

(1) They date from 1884, the year in which the original Factory Act was adopted.

there are in the industry a number of small shops which would require constant supervision if they were to be kept from violating the law, and since a limited number of inspectors must watch many other small places in other industries as well. The great need of the employees for work makes them very unwilling to complain about violations to their employer or to the Department of Labour for fear of losing their jobs or not getting enough work. This point is illustrated in the 1932 report of the Department of Labour in which it is stated that "in one plant of the clothing industry where girls and women were found working at night without a permit, the inspector had difficulty in compelling them to leave the factory, their excuse being that unless they worked overtime they could not earn enough to pay their meagre living expenses. They were afraid to complain for fear of losing their jobs at a time when no other work was available".⁽²⁾

It might be expected that the fear of penalties would prevent employers from disobeying the factory code. However, penalties for violating many sections of the Act consist only of small fines and a hard pressed employer with little sense of social responsibility (such as one finds so frequently in the smaller establishments of the clothing industry) is not likely to worry too much about committing an infringement if he is liable to a fine of only \$10.00 to \$50.00. Moreover, inspectors frequently have difficulty in obtaining evidence sufficient to persuade the courts to grant a conviction and there is a natural tendency on their part to select for prosecution only those cases in which they are pretty well assured of success.

The Ontario Minimum Wage Act, which has been in force since 1921, forbids employers in many branches of industry, including men's clothing, to pay women workers at rates lower than those prescribed by the Minimum Wage Board. The Board's regulations for Toronto call for a rate of at least \$12.50 per week for experienced workers; for \$10.00 and \$11.00 for the first and second half

⁽²⁾ A prominent clothing manufacturer, to whom this section was submitted for criticism, writes as follows: "You want straight criticism. The excuses offered to you are simply 'bunk'. The same conditions that you and your representatives have witnessed have prevailed in these shops not since the depression began, but for years prior to the depression. They have been going on with a certain type of manufacturer for years. Please do not let the Inspection Division, which has a reputation for supervising the 'clean shops' and avoiding the 'pestilences', cause you to ease in respect of definite criticism".

year of employment, respectively, for inexperienced workers over 18 years of age; and for \$8.00 for the first six months, \$9.00 for the second six months, and \$10.00 for the third six months of work for girls under 18. In the case of piece workers, it is sufficient if 80 per cent. of those with six months' experience make earnings above the amounts specified for time workers. Somewhat lower rates are set for the smaller cities and towns of the province. However, "learners" in the trade are exempt from the regulations for a period of three months. The specified weekly wage is to be paid for a full-time week—the normal number of hours weekly for which the employees are engaged—and the employer may declare what these normal weekly hours are. Part-time work, or overtime, is to be paid for at hourly rates no lower than those authorized for the normal week's work.

The Act is administered by a Board of three members, appointed by the provincial government. The principal administrative officer is the vice-chairman of the Board, who devotes all of his time to its service. The inspectors of the Factory Inspection Branch are supposed to report any violations that they discover to the Board, and are required to assist in the work of enforcement. Recently, since the task of administration has become too difficult to be handled almost single-handed by the vice-chairman (the procedure before the depression), two inspectors from the Factory Inspection Branch have been assigned to minimum wage work, and another member of the Board has also been devoting a good deal of time to it.

The evidence on wages and earnings which has been presented above shows clearly that during recent months a great many of the women in the Toronto branch of the men's clothing industry were not earning \$12.50 per week, which the Board declares in its annual reports to represent the minimum cost of living of a self-supporting working woman in Toronto. This in itself does not prove violation of the law, for young girls and inexperienced workers may be paid less for full-time work, and experienced workers may also be paid less in a given week, provided that they receive more than the minimum hourly rates. It is really minimum hourly rates, rather than minimum weekly earnings, which are prescribed by the Board.

With this point in mind, it will still appear, from a consideration of the evidence on the earnings of women workers which has been

presented above, that a substantial number of them were in receipt of wage rates lower than those set by the Board. In one of three union shops for which full information was obtained, both from workers and from payroll records, it was discovered that two women, out of about 20, were being underpaid, while in the other two shops our investigation disclosed no violations of the law. We were informed by the vice-chairman of the Minimum Wage Board that in another union shop we had discovered serious under-payment of some office employees (who are not members of the union) some time ago. In two non-union shops definite and serious violations were discovered, while partial evidence for four other non-union shops suggested that they were also guilty of violations.

According to the information that we were given directly by workers, there were infringements of the minimum wage law in all five of the non-union shops in Toronto and in the one non-union shop outside of Toronto in which our informants were employed. Two experienced women from one Toronto non-union shop reported weekly earnings of about \$10.00 for 44 hours, while the third woman from this shop reported a rate of only \$6.00 for 44 hours. This information was given to the Minimum Wage Board and an investigation by the Board disclosed that a number of the women employees of this establishment were being paid distinctly less than the proper rates. The records of this firm were very poorly kept and the hours of work recorded in the firm's books did not correspond with the statements of employees. Moreover, it was discovered that one of the women workers that was interviewed was not recorded as an employee by the firm, although the manager declared to the vice-chairman of the Board and one of the writers that all of his employees were listed in his payroll book. Later investigation by the Board disclosed that six women employees did not appear on the firm's records and that on the day of our visit these six women had been hustled out of the shop and hidden in an elevator for fear the discrepancy between the records and the number of women at work would be discovered. The firm in question has since been prosecuted for its serious infringement of the law.

The wages of the women workers in another non-union shop have already been mentioned, and Tables 7 and 8 of the Appendix present the information obtained from the workers in detail. The employees informed us that they were employed for a 44 hour week,

and on the basis of this statement the great majority of them were apparently receiving wage rates far below those prescribed by the Minimum Wage Board. However, the firm claimed that the normal working week for women was 54 hours, and that if their wages were computed on a 54 hour basis there were no violations of the Act. But according to the information received from workers, 10 of the 30 women from this shop who were interviewed were receiving less than Minimum Wage Board rates, even when calculated on a 54 hour basis, and in several cases the under-payments were serious.⁽³⁾ The firm's records showed that the employees had worked 54 hours in only a small number of weeks during 1933. Moreover, the firm's report to the Factory Inspection Branch was that its normal working hours for men were 44 hours weekly. Clearly, the declaration of 54 hours as the normal work period for women was a deliberate subterfuge on the part of the firm to escape the provisions of the law under which other firms in the industry, all of which were operating officially on a 44 hour basis, had to operate. The Minimum Wage Board, after careful investigation, decided that the firm's contention of a normal 54 hour working week could not be sustained, and as this is written, is proceeding further with investigation preparatory to prosecution or settlement of claims of the women workers for arrears of wages.

In the case of a third non-union shop which was visited by one of the writers, there were no serious cases of under-payment, according to the badly kept shop records, for while the weekly earnings of the women workers were very low in many instances the records showed only part-time work for them. However, according to the statements of women from this shop who were interviewed and according to further information from another reliable source, the record of hours in this shop was kept in such a manner as to understate the length of time which the girls worked. This shop was one in which night-work was said to be very common, and it was stated that the hours' record was kept by a stenographer

(3) The manager of this firm refused to permit us to make a detailed examination of his books for the purpose of checking on the accuracy of the employees' reports. A superficial examination of the books, which was permitted, showed that in some cases the reports from workers tallied with the employer's records. Since we interviewed separately so many of the employees from this shop and since we have no reason to believe they were not telling the truth, we think that their reports, taken altogether, probably give a fair picture of wage rates in their shop, although it is probable that some of them made statements that were not entirely correct.

who did not remain in the shop after five or six o'clock and who could not, therefore, report the hours of work at night of the women employees. Moreover, we were informed that in this shop women were listed on the books as beginning to work at 9.30 o'clock in the morning, or at other times when work became available for them, when they might have come to the shop at 8.00 o'clock all ready for work. The Board's regulations require that periods of waiting for work are to be considered as time at work.

In the case of two other non-union shops in Toronto, underpayment was indicated by reports from workers, but when we visited these establishments we found it quite impossible to obtain any accurate information on hours of work from the shop records—nor could the managers give us a clear idea of the length of time their workers spent on the job.

Serious under-payment of women workers was also indicated by reports of the women workers of the non-union shops in Cornwall who were interviewed. Several stated that they were receiving no more than \$6.00 or \$7.00 per week for 49 hours of work.

This evidence is certainly sufficient to show that there has been serious and extensive violation of the minimum wage law in the non-union shops of the men's clothing industry. It is probable, also, that there have been some evasions in union shops, particularly in the case of employees who are not union members, but we do not think that these have been very numerous. Our evidence, on the whole, bears out the contentions of union officials and union shop manufacturers, who informed us at the beginning of our investigation that there were "wholesale violations" in the non-union section of the industry. This does not mean that the industry as a whole has been disobeying the law, for much the greater part of it in Toronto and Hamilton is under union control, so that we think the great majority of the women employees have been paid at or above Minimum Wage Board rates. But evasion of the law by the minority of non-union employers is very serious for the whole industry, because of the competitive advantage they are enabled, by this means, to obtain over those employers who do observe its provisions.

The members of the Minimum Wage Board admit that there have been violations in the industry, although we do not feel that they recognized how extensive they were, prior to our investigation. Speaking of the whole field of industry covered by the Act,

the chairman of the Board informed us that he was convinced 80 per cent. of the employers were observing the law.⁽⁴⁾ If this is approximately correct, enforcement cannot be considered at all adequate, in view of the competitive pressure which the large minority of under-cutting employers must exercise constantly to depress wage standards.

The problem of enforcement at such a time as the present is not an easy one. Prior to the depression it was not so hard, for at that time the competition situation was such as to guarantee that employers would have to pay in most cases rates of wages higher than those prescribed by the Board.⁽⁵⁾ But with the tremendous falling off in business since 1929 and with the heavy unemployment or partial unemployment of workers, a situation has developed where many women are willing to work for lower than the rates set by the Board—which have not been reduced during the depression. Employers who are not under union control and who are very hard pressed to make any profits at all are naturally tempted under these circumstances to evade the law if they can. The detection of such violations is not an easy task, for several reasons. For one thing, employees are so afraid of losing their jobs that they will not make complaints to the Board or to anyone who might act in their behalf. Another factor is that in the clothing industry there is a fair number of small shops to be watched. A third difficulty is that employers' records are likely to be unreliable, either because of the careless record-keeping which is common in the small establishments or because of deliberate falsification, such as we discovered in at least two Toronto shops, so that the over-burdened officers of the Board may be deceived by records which, on hasty examination, appear to disclose no violations. Still another difficulty, we are informed, is that many magistrates adopt a lenient

(4) Evidently the Board was more confident a year ago that there were few violations, for in the annual report for 1932 it is stated: "We are satisfied that with few exceptions our Regulations are being obeyed throughout the Province, and we are gratified to know that the Board has been successful in maintaining its rates thus protecting the working women of Ontario."

(5) With reference to this section, a manufacturer whom we have quoted before, writes: "The minimum wage law has been broken in Ontario not merely within the last six, eight or twelve months. The chiseller is not a product of just a short time; he has been here right along and he could not sell his products at the prices he has been selling them at unless he was taking it out of somebody. . . . What you have found has been going on for years and years."

attitude towards offenders under the Act and that it is hard to get convictions from them.

No doubt the Board has been doing its best to enforce the Act. It has been prompt to investigate any apparent violations which we were able to call to its attention and has co-operated with us in providing information. Only at one point did we fail to obtain co-operation,—when the Board refused, on the advice of the Minister of Labour, a request for detailed statistics for the men's clothing industry based on employers' returns during 1933, such as we were given by the Minimum Wage Board of Quebec. The vice-chairman, who does most of its active field work, has been working exceedingly long hours of late, and the Board itself has held night meetings very frequently to pass upon cases referred to it. In 1933 the Board has collected much larger amounts of arrears of wages for workers under their jurisdiction than ever before and it has also prosecuted many more firms for violating the Act.

But when this has been said the fact remains that the Board, with its present staff, appears to be quite inadequate to meet the tremendous task of enforcement which the depression has brought. There is really only one experienced and capable official, the vice-chairman, devoting full time to the work of enforcement, and it is altogether too much to expect that he can possibly supervise properly all of the several thousand employers of women throughout the province who come under the Act. Under the circumstances the tendency of the Board naturally is to give its attention to what appear to be the more serious problems and to leave others alone. Clearly there should be a number of trained and capable inspectors in the service of the Board, including one or more with accounting experience who would be expert in detecting falsification of records. We are informed that the government has been unwilling to add properly qualified inspectors to the staff, although it has offered untrained assistants. But anyone—even a civil servant with experience in another department—is not good enough for work of this kind. It is technical, difficult, and responsible, and its proper performance requires special qualities. And if the government will not provide inspectors of the proper quality, it is not supporting the Board adequately at all.

Certain of the methods of the Board might also be improved, as a means of simplifying the task of enforcement. For one thing, strong efforts should be made to require more accurate reports

from employers. The Board should also declare 44 hours per week as the normal working week for the men's clothing industry, as it is empowered by law to do, to prevent attempts to evade the spirit and the intent of the law, such as we saw had been made by at least one shop in Toronto. For some reason, it has not exercised this power in connection with the men's clothing industry, although it has done so for many others. Moreover, some of the penalties under the Act seem absurdly low to guarantee its observance, and they might very well be increased.

The fact that there have been extensive violations in the non-union section of the industry, without much in the union section, suggests that the union has been a more important instrument to protect the wage standards of women workers than the Minimum Wage Board. In view of the real difficulties of enforcement, it seems fairly clear that if it had not been for union control evasions of the law would have been even more common than we discovered. A strong trade union in the industry, it appears, is a major guarantee that protective labour legislation will be properly enforced.

One further point of real importance comes out of our study of the minimum wage situation in Ontario. This is that in the non-union shops in which we found many women were being underpaid the wages of men were also exceedingly low. In the case of one shop for which comparable information was obtained, it appears that the men in the shop were being paid almost as little as the women. It seems reasonable to conclude, from this and from other evidence, that although there were a good many violations of the Minimum Wage Act on the part of non-union shops, nevertheless it did operate to hold up the wages of women to a considerable extent; whereas in the absence of legislation of the kind for men their wage rates were completely at the mercy of competitive forces, and these were forced down to exceedingly low levels. This suggests very definitely that there is a real need for extension of this legislation to men.

(2) *Labour Legislation in Quebec.*

The men's clothing workers come under the protection of the various Quebec statutes relating to factory supervision, workmen's compensation, regulation of hours of employment and minimum wages. There is a considerable body of legislation here, as in

Ontario, designed to safeguard the moral and physical well-being of the employees.

MINIMUM WAGE REGULATION

In Quebec the wages of men and boys under 18 (a boy may be employed at 14) are not regulated at all by law. Women's wages in factories⁽⁶⁾ are now regulated under a Women's Minimum Wage Board which was set up in 1926. The Board consists of four Commissioners, appointed by the Lieut.-Governor-in-Council and holding office at pleasure; two represent the employers and two the female employees, but no woman is a member. They are assisted by a staff of seven inspectors. The Commissioners are private citizens devoting only part time to their duties on the Board; the inspectors are wholly employed in the work of enforcing the Act.

The Orders establishing minimum wages in the women's, men's and boys' clothing trades first came into effect on July 1, 1930. These provide that in the City and Island of Montreal and within a radius of 10 miles the minimum weekly rates for women shall be \$12.50 for workers after 24 months' experience, and that apprentices shall begin at \$7.00, rising to \$8.00 after six months, \$9.50 after twelve months and \$11.00 after eighteen months at the trade. These rates are based on a 44 hour week. In other parts of the province, cities whose population is 15,000 or over, the equivalent rates are \$10.00 for experienced workers, and \$6.00, \$7.00, \$8.00 and \$9.00 respectively for apprentices, based on a 50 hour week; while in municipalities of less than 15,000 population the latter rates are paid for a 55 hour week. No increase in the rates is provided for overtime. These orders apply to all workshops save domestic shops in which none but members of the family are employed.

It may not be superfluous to point out that the fixing of a minimum weekly wage does not mean that every employed woman must receive at least that amount per week. The wage is a basic rate for so many hours; if fewer hours are worked, an amount less than the minimum may be paid. In a seasonal trade such as the clothing industry, it normally happens that women and girls are

(6) In 1933 the law was amended so as to include commercial establishments, but so far no order has been issued for any save industrial workers.

employed short time during the slack season, and that they receive weekly earnings proportionately lower than full time wage rates. This of course involves no violation of the Act. An experienced woman worker in Sherbrooke, for instance, working 35 hours per week, would only be entitled to receive \$7.00, while the beginner in Joliette or Victoriaville would be entitled to about \$3.85, her rate being 11 cents per hour.

The question of the adequacy of the present minimum rates for women is not one which we propose to discuss. Clearly they can scarcely be called high.⁽⁷⁾ What is more important from the immediate point of view is that the Act is by no means succeeding in its purpose. We found an almost universal opinion amongst people with whom we spoke, both employers and labourers, that the minimum wage laws were of very little use in maintaining women's wages. These opinions would be worth little without further proof but the evidence we have collected from various sources as to wages actually paid in a number of shops demonstrates beyond doubt that there are large numbers of women in the province, both skilled and unskilled, who are being employed in the men's and boys' clothing industry at wages below—often far below—what the law requires. Incidentally it may be noted that there is no reason to suppose that other divisions of the garment industry are any better paid. There is a problem here that must be recognized and faced if any improvement in working conditions is to be achieved.

In our opinion the failure to protect women's wages is in part due to loopholes in the existing law, in part to inadequate enforcement. These two aspects of the question may be discussed separately. Needless to say, in this enquiry we are not seeking to attribute blame to any individuals, but merely to collect the data on which proper conclusions may be formed as to the effectiveness of the present legislation.

One principal weakness in the Quebec Minimum Wage Act is the fact that since women's wages alone are regulated, an attempt to enforce it too strictly simply has the effect of displacing women in the industry by men and boys at cheaper rates. Thus the law designed to protect women's earnings becomes the occasion of their

(7) The experienced worker in any shop outside the Montreal district is guaranteed no more than 18 to 20 cents per hour, and in Montreal the rate is 28.4 cents per hour. Apprentices may start at 11 to 13 cents.

losing their jobs. The Report of the Board for 1932 refers to this practice in language that may be quoted:

"For some time the Commission has had to face a fresh difficulty which tends to spread: the replacing of apprentice men and women by young boys leaving school, whose ages vary from 14 to 18, to do work requiring little experience. As the Minimum Wage Act applied only to females, these young boys are hired at ridiculous prices. We found instances where they were paid as low as one dollar a week, although the average is from three to five dollars. They work for six months or a year and when they apply for an increase in wages, are immediately discharged and replaced by others who go through the same experience later. If, indeed, these boys had an opportunity to learn a trade, by sacrificing a few months at low wages, it would only be half bad; but this is of rare occurrence; they are kept doing the same thing which will never allow them to earn a sufficient wage to live and their future is ruined, for, when older, all they will be fit for is to do day labour instead of being expert workmen."

The Board goes on to recommend that the law be changed so as to provide that no workman or apprentice shall receive a lower wage than the minima fixed for women employed in the same industry. This would bring Quebec into line with Alberta and Manitoba in this respect.

Other parts of the law in Quebec provide further loopholes for employers. Under the Orders of the Board it is sufficient if at least 80 per cent. of workers on piece work of more than six months' experience receive wages conformable to the Order. Thus 20 per cent. of the women employed may be lawfully kept at the apprentice rate regardless of their experience. This permits of a proportionate lowering of wage standards. Moreover, the Act forbids employers to have more than 50 per cent. of their women employees in the class of apprentices, but this is said not to apply to "temporary employees whose term of employment does not exceed one month". By hiring girls for short periods any number of apprentices may thus be employed. Again, the Act requires employees to be paid if they are kept waiting on the premises: the effect of the enforcement of this is said to be that the piece-work employees (and piece-work has become general in the industry since 1930, when the Orders came into force) are told to leave the premises if they have nothing to do. This works to the disadvantage of the girls, who are required to report back from time to time in case

they are needed. Frequently the girls will ask to be allowed to remain on the premises without pay, in order to avoid the journey home.

The use of permits presents another problem. The Act authorizes the Board to vary or suspend any of its regulations on behalf of aged or handicapped workers, and by Sec. 8 of the Orders it even claims this power in any case of "exceptional conditions". The temptation on the part of employers to see their conditions as "exceptional" and to press for permits favourable to themselves is obvious, and the difficulties that face the administrator who tries to enforce the regulations strictly yet fairly are easy to imagine. For instance, a new factory starts in a small town; there are no skilled workers available, since none of the inhabitants have done that kind of work before. The employer contends he cannot observe the rule that 50 per cent. of his workwomen must be experienced. In such a case we understand a permit will be issued—temporary, it is true, but even if only for six months, it is long enough to enable that manufacturer to undercut his established competitors who have to pay full minimum rates. So the standards of labour are undermined, and the attempt on the part of the Board to raise these new firms gradually up to the proper level does not prevent the competitive process from continuing unabated.

Again, a new firm is found paying wages below the minimum, and the employer complains that he will be obliged to close if the law is enforced against him, thus throwing a number of workers on relief. Here the practice sometimes is to allow a temporary exemption in order to give the employer time to adjust his business to higher labour costs. Yet every such permit reduces the average standard and makes so much more difficult the general enforcement of the Act. The increasing use of special permits is shown by the Reports of the Board: 94 were issued in 1931, 367 in 1932, and 1067 were in force on July 1, 1933. On the latter figure, 237 were exemptions for whole establishments from some part of the Order, 156 were for handicapped workers, and 634 were for apprentices doing minor operations (mostly under the provisional Order No. 14 covering the food industry). The exemptions for whole establishments are particularly serious, since these low cost firms set the pace in price-cutting. To leave this wide and arbitrary discretionary power in the hands of a Board whose members are not necessarily acquainted with the industry they are

controlling places a heavy burden of responsibility on them and, if not most carefully controlled, tends to the progressive lowering of wage levels.

A question of law of some importance is suggested to us by the present use of permits under the Act. The Act in Sec. 9 authorizes the use of permits only in favour of girls and women whose physical condition does not allow their doing the work of the ordinary employee. Under Secs. 6, 7 and 8 the Board may set a minimum rate for a single establishment or an industry, and may amend the same, but only after calling a conference representing employers, workers and disinterested persons. There is no power given the Board by the Act to exempt particular firms or factories from the application of Orders adopted by such a conference. It would seem to require a new conference to undo or change what once has been adopted. Yet the present practice is for the Board itself to grant permits of exemption to whole establishments. In our opinion such procedure is irregular under the Act. The power to dispense with the law should certainly be more rigidly controlled than at present if uniform wage scales are desired, and if the danger of political pressure and favouritism is to be reduced.

A further defect in the Act is that under its provisions the Board can only take suit to impose fines and penalties against violators of the law; it has no power to sue in the name of the employee for back wages unpaid. The employee alone can collect this debt. Not only will few employees face the risks and expense of hiring a lawyer and proceeding to a lawsuit, but they are naturally afraid of being fired by their employer if they create this trouble for him. We were told that 90 per cent. of the girls who lay complaints have already lost their jobs with the firm complained of. The proper course would appear to be (without taking away the employees' right to sue) to allow the court to order payment of back wages in every case where the Board has shown that there has been a violation of the Act. This is the practice in Ontario.

Thus far we have discussed the weaknesses in the law itself. The problems of administration and enforcement must now be considered. In this connection the most striking fact is the difference between the number of firms reporting to the Board under the Orders governing the clothing industry and the number of firms which exist. In 1933 (up to June) only 145 firms reported under

Order No. 8 from the Island and City of Montreal and within a radius of ten miles. Our estimate of the number of firms actually manufacturing men's, women's or boys' clothing in the area to which Order 8 might apply is 245, based on the number of firms listed in Fraser's Textile Directory and information received from the Contractors' Association. There would thus appear to be approximately 100 firms which made no report in that year. The firms reporting in 1932 were 165, and yet in that year 154 firms making men's and boys' clothing alone in Montreal reported to the Dominion Bureau of Statistics. The addition of the firms making women's clothing to which Order 8 applies would bring this latter figure a long way above the number reporting to the Minimum Wage Board. An Act that is enforced only partly is of little use to protect workers even in those factories to which it applies, since the competition of the firms escaping regulation will sooner or later force the other establishments to reduce their payrolls or go out of business.

Apart from this discrepancy between the number of firms reporting and the number operating, the statistics we have collected from a number of establishments show that the Minimum Wage Act is being violated on a fairly extensive scale. Of 31 establishments in Quebec for which we have evidence of one sort or another, no less than 24 were employing women at rates below the minimum scales and in apparent violation of the Act. In 11 shops over 95 per cent. of the women were receiving wages below the standard.⁽⁸⁾ We have no evidence to suggest that these firms were exempt in any way from observance of the law.

This incomplete enforcement of the Act is due to a number of causes. Understaffing is one. The present staff of inspectors (five in Montreal and two in Quebec) seems quite inadequate to look after the enforcement of 23 enactments covering 924 industrial establishments. The finding of unreporting firms is itself a difficult problem; we understand the practice at present is for the inspectors to visit the municipal offices, inquiring from them the names of all establishments operating within their territory and thus gradually discovering what factories exist. There is also some co-operation between the minimum wage officials and the inspectors appointed under the Industrial Establishments Act to

(8) The Report of the Minister of Labour for 1932 says, "In spite of the depression, the enactments have been respected".

supervise the enforcement of sanitary and health regulations. But even with the assistance of other governmental departments the Minimum Wage Board seems at present hardly staffed to meet the demands made upon it.

Other factors make for difficulties in enforcement. We understand that the practice is for each employer to report one week's wages for a specified month in the year, which report is checked by an inspector. The selection of the week reported, however, rests with the employer, who naturally chooses a week which will make the best showing. The reports thus tend to exaggerate the degree of observance, and to give a wrong impression of the average earnings of the employee. This is particularly true where the month selected happens to be in the busy season, which we understand is usually the case in the garment industry. Again, the work of verification is complicated by the fact that some employers, in the words of the 1932 Report, "keep no book of working hours for women working by piece; others, however extraordinary it may seem, do not even know the names of their employees, satisfied to call them by any Christian name, or a nickname or a reference number corresponding to that on the time clock." A more serious problem is the falsification of reports by employers. We have no first hand evidence of this, but the practice is referred to in the 1932 Report, and from many sources we heard stories of deliberate evasion.

Evasion takes various forms. Sometimes several girls will be given the same name by the employer, so that the pay envelope for the proper amount for one worker will be divided amongst several. Sometimes girls will have their names changed whenever their additional experience entitles them to an increase; they will thus always be re-starting as beginners under new names. Again, girls will be paid the full minimum wage, but the continuation of their employment will be made to depend upon their turning back some proportion of it each week. We were told that some employers compelled their girls to check out on the time clock and yet to continue working, either in the factory or at their own homes. These practices are unscrupulous, it is true, but in a disorganized industry, with each manufacturer fighting to save himself from destruction and to meet the competition of his keenest rivals, the temptations to resort to such evasions in order to continue in the economic struggle for existence are greater than some characters

can stand. It is unfortunately true that some men will scrap their morals before they will scrap their business. In a better organized industry many temptations to law-breaking would be removed.

It should be pointed out in conclusion that the Quebec method of enforcing minimum wages belongs to the category of what is known as the General Board system, in which minimum rates in a number of industries are fixed by the same body, as distinct from the Trade Board system, in which a separate board is set up in each trade composed of members representing employers and workers in the trade, who know from practical experience conditions in the trade concerned. This is the method in force in Great Britain, France, Austria, Germany, Czecho-Slovakia, Norway, the Argentine Republic and some of the Australian states. The General Board system has been applied mainly in Canada and the United States.

REGULATION OF HOURS OF LABOUR

The history of the control of hours of labour in Quebec dates back to 1885, when the first Factories Act was passed. This set the minimum age of factory employment for boys at 12 years, and for girls at 14 years. It provided that no boy under 14 years and no girl or woman could be employed more than ten hours in a day or 60 hours in a week, except in case of stoppage or breakdown in the factory when permission might be granted to work these employees 12 hours a day and 72 per week. One hour must be granted at midday for a meal, but this did not count in the limitation of hours, so that 11 hours per day might actually be spent in the factory. No attempt was made to control the hours of boys over 14 or of men, and these limitations only applied to certain industrial establishments, not to shops or domestic service.

This early statute has been described in order to show how little change has occurred in Quebec in the past half century. The organization, the technique and the productive capacity of industry have enormously changed since 1885, and yet the wage-earner has been provided with a very slight amount of additional leisure by law. In 1890 it was provided that the day of 10 hours should not begin before 6.00 a.m. nor end after 9.00 p.m., and in 1909 the boys from 14 to 18 were included in the protected class. For 45 years no alteration whatever was made in the length of the working week

for women and children. Then in 1930 the weekly hours were brought down to 55; but the 10 hour day remained. This is the present law affecting the garment industry.⁽⁹⁾ It is still far removed from the principle of the 8 hour day and the 48 hour week to which the nations of the world pledged allegiance at the Washington Labour Conference of 1919. Moreover, permits for the 12 hour day and 72 hour week may still be granted in case of breakdown or stoppage of work for any cause whatsoever. And whereas originally the employer was obliged in every case to grant one hour for the midday meal, since 1889 it has only been necessary for him to do this "if the inspector so require".

The minimum age for employment has changed equally little. In 1903 the legal age for hiring boys was raised from 12 to 13, and in 1907 from 13 to 14, where it now remains. Girls can still be employed at 14. For unwholesome and dangerous establishments the ages are 16 and 18 respectively. Between the ages of 14 to 16 no boys or girls may be employed who cannot read and write fluently, unless they possess a certificate of attendance at night school.⁽¹⁰⁾ In 1909 the age of boys whose hours are controlled was raised to 18, so that the present category of workers whose hours are protected consists of women, girls, and boys from 14 to 18 in certain establishments. The hours of men are still unregulated by law.⁽¹¹⁾

We have not made an exhaustive investigation into the operation of these laws, but enough evidence has been accumulated in our survey to satisfy us that they are being violated on a fairly extensive scale. Some instances of violation have already been given in the section of hours of work in Quebec. We would refer again to Table 26 which shows actual hours worked in two shops in Joliette and one in Ste. Rose. During four weeks in August, September and October, 104 women and girls out of 152 employed worked 55 hours and over. Sixteen of these worked 65 hours and

(9) In 1933 an Act was passed permitting the Lieut.-Governor in Council to limit hours of workmen employed in manual labour to as little as 6 per day or 33 per week, but this was not to apply to any industry subject to international or interprovincial competition. (See 23, Geo. V, cap. 40.) The latter restriction, inserted at the instance of Montreal employers, deprives the Act of any general utility.

(10) It should be noted that this night school work may come after 10 hours in the factory!

(11) Except as dealt with under the 1933 Act referred to above in footnote 9. So far the construction industry alone has been regulated for men.

over. In an inside contract shop in Montreal, of 11 women employed, 4 worked 55 hours and over. We pointed out in the previous section the case of the shop in St. John's, where for 42 female workers, the average number of hours worked in one week in May, 1933, was 56½, and the shop in Victoriaville, where amongst 176 female workers the average for the group was 55 to 60 hours. We have heard of instances where the employer, if the work was not completed in the 10 hours, would order the girls to take it home with them. With certain operations on garments this is quite feasible; the effect is to reduce wage standards and increase the pressure of unfair competition.

As mentioned above, there is the same power under the Quebec Industrial Establishments Act to dispense with the observation of the hours regulations as there is under the Minimum Wage Act to dispense with the wage regulations. It might be thought that with no regulation at all of the hours of men it would be possible for employers to observe the 55 hour week for women and children. It seems, however, that requests for permits to work additional hours are frequently made, and the number actually granted by the inspectors is on the increase. The Report of the Quebec Minister of Labour for 1932 refers to this problem in these terms:

"It is seen by their reports that the inspectors are astonished that nearly everywhere industries subject to the 55 hours enactment, ask permission for overtime work. In the hard times, when so many are idle, this seems an abuse. In the districts of Montreal and the Eastern Townships, 103 permits were granted; a considerable number were refused. In each instance, the inspectors investigate and try to have the industry make a better distribution of work. Orders are badly distributed by the trade, which in its turn is the victim of the requirements of consumers. In any event, no overtime permit was given without serious investigation, according to the provisions of section 17 of chapter 182, R.S.Q. 1925."

Under the Act referred to, the inspector has complete discretion to permit a 12 hour day or a 72 hour week for a period of not more than six weeks, "in order to make up lost time or to satisfy the exigencies of trade", in case of accident to the machinery or "when any stoppage occurs from any cause whatsoever".

We understand that the enforcement of the hours regulations is rendered difficult by the fact that the inspectors start work at 9.00 a.m. and go off duty at 6.00 p.m., whereas the 10 hour day

may begin at 6.00 a.m., and does not have to end till 9.00 p.m. Thus at the moment when the law would be broken there would be no inspectors regularly on duty to enforce it. The Chief Inspector in Montreal told us that he is frequently obliged to do additional work himself in the evenings, and has to request his assistants to help him. The whole question of the adequacy and efficiency of the inspecting staff cannot be over-emphasized. There were 7,410 industrial establishments listed as existing in Quebec in 1930. The number of inspections of industrial establishments made by the Chief Inspector, his assistant, twelve inspectors and three inspectresses in 1932 was 2,195⁽¹²⁾. At this rate each establishment would be visited about once in three years!

(3) *Trade Unionism.*

Since the war years the majority of the workers have been members of the Amalgamated Clothing Workers of America, one of the strongest trade unions on the American continent. The Amalgamated, an international union with headquarters in the United States, was formed in 1914 as a result of a secession from an older union, the United Clothing Workers, and shortly established itself as the dominant labour organization in the American industry. By the end of the war it had enrolled as members the great majority of the men's clothing workers in the United States, and since that time it has succeeded in maintaining effective organization throughout the industry, even during a period of business prosperity that saw the downfall of many trade unions. In Canada it has had the same relative success as in the United States; for its growth was phenomenal during the war years, so that membership rose to 7,000 by 1916. The gains of these years were retained or bettered after the war, the membership for 1923 being reported as 7,715. Membership fell off in 1925 and 1926, but rose again to 7,000 in 1929 and 1930, and then fell off to 5,000 in 1931.⁽¹³⁾

Union influence in the clothing industry has always been greater in Ontario than in Quebec. Since the rise of the Amalgamated during the War the majority of the clothing workers in Toronto and Hamilton have worked under collective agreements

(12) Report of the Minister of Labour for 1932.

(13) Figures from the Dominion Department of Labour Annual Reports on Labour Organization in Canada.

with the employers. However, the Amalgamated was never successful in capturing all shops. Always, there were some that held out against union control and always there were new ones entering the industry which would not employ union workers. Thus the officials of the union have had to keep on incessantly with organization work and have had to carry on many strikes to bring non-union shops into line. The depression has naturally accentuated the problem of organization, for in a period when there is a general surplus of labour there are many workers willing to accept less than union rates for the sake of getting a job. Thus although the Amalgamated is still very strong in Toronto, since it controls some 85 or 90 per cent of the industry, it has had to give a good deal of attention to militant activities during the last year or so. As this report is written one of the most important strikes for some time is in progress against a low wage shop, employing immigrant workers, which has held out against the union for many years.

The need for this constant union vigilance arises from the fact that non-union shops have lower labour standards as a rule and that this gives them an advantage in labour costs which enables them to underbid union manufacturers — who in turn complain that they cannot stand such competition and that labour standards must be decreased. Competition of this kind from outside Toronto affects the Toronto union manufacturers as well as competition from the non-union shops in Toronto. The wage reductions conceded by the Toronto branch of the union during the last three years have been made necessary mainly by the pressure from the non-union section of the industry. Union officials state that they have also been forced to make many other concessions to the manufacturers and that in consequence their capacity to protect their members has been very seriously impaired.

The problem of the union in maintaining control in Toronto has been accentuated in recent years, to some extent, by factional differences inside the organization. "Left-wing" elements have opposed official policies; and at times have had minor success. Some two years ago there was a secession of a number of workers in one shop who formed themselves into a new union, but the Amalgamated defeated the seceders and regained control of the shop which had been temporarily lost. While "left-wing" opposition has never gained great strength in Toronto, it has nevertheless caused union officials a good deal of worry, has diverted their

energies from organization work to the clearing up of factional problems and has therefore weakened the organization. If opposition of the kind were to grow very much it would lead to the disruption of the union and there would certainly follow upon this serious reduction in labour standards.

We have already seen that labour conditions in Toronto are distinctly better in the union than in the non-union shops. It is clear that the union, in spite of the difficulties which it has had to face, has nevertheless been of great assistance to the workers in protecting their position. Among other things, it has helped to hold up women's wages above the Minimum Wage Board scale; it has provided relief for many of its unemployed members; and it has given its members a sense of freedom which has enabled them to remain much more independent in their attitude than those who work for the non-union shops.

The terms of the present agreement between the Associated Clothing Manufacturers of Toronto and the Amalgamated express the aspirations of the union to protect the workers and serve also to suggest how the union has been and can be a stabilizing force in the industry. The agreement provides, among other things, that employers shall give preference in employment to union members; that strikes and lockouts shall be avoided, disputes to be referred instead to arbitration; that the 44 hour week shall prevail as a general rule and that overtime shall be dispensed with as far as possible, time and one half rates to be paid when overtime is necessary; that employees shall be entitled to representation by union officials in the presentation of grievances; and that the union undertakes to organize and conduct an efficient employment office.

The policy of the union towards production is also indicated in this agreement. It is stated that "it is not the intention that this agreement shall in any way restrict output or impede processes of manufacture or management, but shall encourage maximum production and minimum cost and fair and equitable treatment to any individual concerned in it". Various sections of the agreement contain provisions regarding production standards and other matters that affect productivity. In Toronto, as elsewhere, the Amalgamated is committed to a policy of co-operation with employers to advance industrial efficiency, so long as the interests of the workers are adequately protected.

In the Montreal branch of the industry the Amalgamated has been an important factor since a great strike, from December of 1916 to March of 1917, in which some 2,500 clothing workers participated. But it has never enjoyed there the same relative strength and stability as in Toronto. Its history has been marked by a constant struggle to hold control over a sufficient number of shops to be really effective to protect labour standards, and, during the period 1930-33, to retain the allegiance of its former members.

The unceasing struggle against open shop employers is indicated by the number of strikes which the union has led in Montreal. There were at least four general walkouts during the six years 1922-28, and still another in September of this year. But in between these general engagements there were a great many minor battles — some 27, for instance, in the four years 1920-24. These strikes were mainly against small shops which refused to accept general wage agreements or which broke away from agreements once they had been made. The strikes were usually called at the beginning of the busy season, when the employer most needed labour. And although many were successful, there always remained employers who managed to operate outside of union control, on labour standards that undercut the firms that lived up to their agreements. Thus the Amalgamated never succeeded in getting anything approaching complete control of the Montreal market — and its power was alternately waxing and waning, going up with the successful termination of a big strike, then declining as one employer after another managed to slip out from under control. In the country towns outside Montreal, which by 1925 were providing troublesome competition to the city manufacturers, the union met with but little success in its organization efforts.

The organization problem in Montreal and Quebec has always been very difficult, distinctly more so than in Toronto and Ontario. For one thing a much larger number of the workers are employed in contract shops (some 2,000 out of 4,000 in Montreal, according to the information given us by the union and by manufacturers) and these are generally small, unstable, and much concerned with keeping labour costs low, as we have seen. Thus the intensity of competition, particularly in the item of labour costs, has been greater in Montreal than in Toronto. Competition from the non-union country shops has been another factor of great importance to stiffen the fight of Montreal employers against union standards.

Moreover, the clothing workers of Quebec are an extraordinarily difficult group to organize in the one body because of their racial and religious differences. There are Jews, Anglo-Saxons, Poles, Italians, French-Canadians and others in the group, who could scarcely be expected to work harmoniously and effectively together in any sort of organization. When it is recognized further that at least half of them or more are women and girls, who are notoriously hard to organize under any conditions, one marvels at the success the union has actually had.

Factionalism and the catastrophe of the depression, added to the difficulties of organization outlined above, combined to reduce the Amalgamated to ineffectiveness during the three years preceding the strike of last September. For some time prior to the depression left-wing insurgents had caused a good deal of trouble in the Montreal branches of the Amalgamated. The inability of the union to protect adequately standards of wages and conditions after the onset of depression gave the insurgents their opportunity, and they formed new unions, first the Canadian Clothing Workers and then the United Clothing Workers, into which they attracted large numbers of the workers. The rival unions, of course, used up most of their energies in fighting one another, and were much less capable of protecting labour than the one organization had been previously, so that in 1932 union influence over labour conditions in Quebec was practically reduced to zero.

In September of this year, as we have seen, the leaders of the Amalgamated succeeded in attracting the mass of the workers back, and conducted a general strike that brought most of the shops in the city again under their control. This was a most important victory, which undoubtedly means a great deal to the workers in Montreal and to the stability of the industry. But it could not possibly repair all the damage of three years. In view of the great diversity of wages and hours from shop to shop, it was quite impossible for the union to insist that the same conditions should apply everywhere. So a compromise was effected, whereby there were to be general minima for only two groups, cutters and pressers, of \$35.00 and \$25.00 per week respectively, with wage increases of 20 per cent for all other classes of workers. The 44 hour week was to prevail generally, but as we have seen in Section II the union permitted some shops to exceed this limit for the present season.

Thus the Amalgamated was unable to raise the general level of wages by very much, nor was it able to go far in the direction of standardizing conditions from shop to shop. Nor did it succeed in getting control of many of the country shops. The basic difficulties of making union control really effective in Quebec remain, as before, and the union must face a continued struggle, even with the problem of factionalism pretty much out of the way, as it is for the present.

Beyond question the union has been of great value to the clothing workers, in both Ontario and Quebec. Without it to protect them their work and wages would have been even more at the mercy of every changing wind of competition than has been the case. And the union, we believe, has been of real advantage as a stabilizing force in the industry. Prior to the depression it set limits to the intensity of competition which, as we shall see in the next section, has brought ruin to manufacturers as well as to workers, with doubtful benefits to consumers, during the depression. But the problems of organization have been so great, particularly in Quebec, that the union has not been completely successful in protecting the workers. We believe that what has been true of the past will be true of the future, in the absence of methods of control such as we propose later. The union, even by its best efforts, cannot protect the workers sufficiently, nor is it, by itself, a sufficient influence of stabilization to maintain health in the industry.

(4) *Summary.*

There are not many points of difference between the Ontario and the Quebec factory laws. The 10 hour day prevails in both provinces for women and children, but their maximum per week in Quebec is 55 whereas in Ontario it is 60 hours. Both provinces may grant permits for a 72 hour week. On the other hand the Ontario working day ends at 6.30 p.m., whereas in Quebec it may continue until 9.00. This means that women, girls and boys in Quebec may lawfully be brought back to the factory after supper for night work, and this practice we found to be quite common in the country and in the poorer city shops. In both provinces boys and girls may be employed at 14. In neither are boys or men protected in their wages, nor are the adult male workers protected in their hours. (The exception of the construction industry in

Quebec has already been noted.) The minimum wage rates, and the general regulations issued by the two provincial Boards, are also very similar. One difference is that Quebec rates are fixed for a uniform number of hours over the three administrative areas, whereas in Ontario the rates are for hours which may vary from shop to shop. Another is that Ontario has lower rates for apprentices under 18 than for those above that age; in Quebec all apprentices start at the same rate regardless of age.

In our opinion much of this legislation, while praiseworthy in aim, is wholly inadequate to achieve, in the garment industry, the ends for which it was enacted. Its purpose is to safeguard the moral and physical well-being of the workers, and we have shown that in this it is not succeeding. It was in large part drafted under the totally different social and industrial conditions of the late 19th and early 20th centuries, and has since then been subjected only to piece-meal revision. It fails to protect at all in many cases where protection is needed, and often where it does protect the protection is insufficient. The 55 and 60 hour weeks are anachronisms, in the garment industry at any rate, and even these limitations extend only to women and children. Limitation of the hours of men whether by law, by union control or by some other means, is badly needed, as is also wage protection for men and boys. The provisions permitting a 12 hour day and 72 hour week on permits provide loopholes in the law that render it even less effective.

As regards enforcement of the law, the evidence collected shows that in both Ontario and Quebec the machinery of enforcement has not proved adequate to the tasks imposed upon it. It is always a matter of difficulty to make some employers observe the laws designed to protect workers, since there is usually a profit to be gained by disobedience. Economic factors also create special problems for minimum wage legislation. But the lack of enforcement we have discovered in the clothing industry is not merely due to those obstacles, which are inescapable in our existing economic order. It is due in considerable part, in our opinion, to weaknesses in the law and in the administrative machinery of enforcement.

We have accumulated more evidence of violation in Quebec than in Ontario. We think one principal reason for this has been the greater strength of organized labour in Ontario. There has been no strong union in Quebec for some years, and undoubtedly the pressure of competition from non-union shops both in Montreal

and in the country districts outside, has made observance of the law very difficult in Quebec even for the well-intentioned employers.

As for trade unionism, we have seen that it has done a good deal to protect labour standards and to act as a stabilizing force in the industry. But it has never succeeded in obtaining control over a large enough number of shops to be completely effective, and its history has been marked by constant struggle — in itself a minor factor of instability. The union, by itself, cannot protect properly the workers in the industry.

Thus the existing instruments for the protection of labour, labour legislation and trade unionism, are not enough. Even stronger controls are required if the exploitation of the clothing workers is to be brought to an end.

SECTION IV

AN ECONOMIC ANALYSIS

(1) *The Effects of the Depression.*

The depression ranks first, of course, among the economic forces that have brought ruin to the clothing industry and to its employees; although how much of the trouble is to be attributed to the depression and how much to other factors that will be mentioned it is impossible to say. The industry, thanks to its inherent instability and tendency to disorganization, was in a poorer position to withstand the effects of general business depression than many others; and it appears that these tendencies to disorganization, which were held in check to a considerable extent by other forces when there was a good demand for clothing, have been given a free field for operation by the coming of the depression and the consequent curtailment of demand. Thus there has gone on among the manufacturers a desperate struggle for a declining market, characterized by drastic price-cutting, severe reduction of labour standards, unfair competitive practices, the bankruptcy of a great many firms, and serious business losses for most of those that have survived.

From Table 1 of the Appendix, which shows the principal statistics of the industry for the years 1924-1932, there can be obtained some idea of the decline in business during the depression. Gross value of production fell from \$50,580,168 in 1929 to \$28,155,588 in 1932, a reduction of 44.4 per cent. The cost of raw materials decreased by 40.3 per cent over the same period, salaries and wages by 41 per cent, and value added by manufacture, or net value of production, by 48.5 per cent. The decline in physical volume of output was less than in gross value and net value, of course, for price reductions are reflected in statistics on these items as well as curtailment of business. The reduction in net value of production, by nearly 50 per cent, is of particular significance for our purposes. For the net value figure represents, more closely than the others, the amount of income available for disbursement to those directly engaged in the industry, employees and employers.

There is fairly clear evidence from the official statistics of the Dominion Bureau that the men's clothing industry has suffered

more severely than most of the other manufacturing industries producing goods for the final consumer. This appears from the following table, which shows the decline in net value of production for the men's clothing industry as compared with the decline for all the industries manufacturing products of animal, vegetable, or textile origin (most of which are final consumers' goods) from a pre-depression average for 1927, 1928 and 1929, to 1930 and 1931, and which shows also the percentage ratios of the men's clothing figures to those for the consumers' goods group for the pre-depression and the depression years.

Year	Consumers' Goods	Percentage Decrease	Men's Clothing	Percentage Decrease	Percentage of Consumers' Goods
Pre-depression average	\$641,335,627	\$23,598,990	3.68
1930	623,976,661	3	19,285,909	18	3.09
1931	544,502,144	15	15,587,270	34	2.86
1932	12,841,625	46

The table indicates that during the depression the net value of production of men's clothing has fallen distinctly more than the net value of a broad group of consumers' goods industries. It also shows clearly that those engaged in the industry, employers and employees, have not only been paid a smaller number of dollars for their products, but also that their share of the total payments made by Canadians for manufacturing consumers' goods has been reduced seriously. Whereas their share of the total was 3.68 per cent for three pre-depression years, it fell to 3.09 per cent in 1930 and to 2.68 per cent in 1931.

In view of these circumstances it is not surprising that manufacturers claim they have been unable to make any money and that they have been forced to cut costs, and particularly labour costs, in order to avoid bankruptcy. We have not obtained detailed figures on business profits or losses, but the general evidence that is available confirms such claims.

Prior to the depression, it appears, there were but few firms making substantial profits, and a good many must have been losing money, judging from the number that went out of business each year. According to a survey of the industry made for one of the banks early in 1930, net profits in 1928 for a number of substantial firms ranged from 3.2 per cent of sales to 8.1 per cent, with an average of 4.5 per cent — and these earnings the bank report did not consider satisfactory. After describing certain difficulties of

the industry that were apparent even then the report concludes that "only the unusually efficient may expect to reap a really adequate return on capital invested".

If this was true prior to the depression, it is clear from Dominion Bureau statistics that the chances of making profits must have diminished practically to the vanishing point during the last two years. It has already been noted that net value of production, or value added by manufacture, declined by 48.5 per cent from 1929 to 1932, while salaries and wages decreased by 41 per cent. The various overhead charges, such as light, heat, power, insurance, sales, taxes and interest, must be deducted from the net value of production, as well as salaries and wages, before manufacturers take their profits, and these overheads certainly declined much less than the payroll item. Thus costs have decreased less than revenues, so that for the industry as a whole there has been undoubtedly a net business loss on operations. The Dominion Bureau figures on capital invested in the industry confirm the statement made to us by several manufacturers that many firms have succeeded in remaining in the business only by trenching upon their capital. According to the Bureau's reports, capital investment in 1929 was \$28,493,549, while in 1932 it was only \$16,756,859, a reduction of \$11,736,690, or 41.2 per cent. Working capital, represented by materials and supplies, inventories of finished products, cash and accounts receivable, makes up the greater part of the capital required in the industry, and it is in these liquid items that the greatest reductions have occurred.

Tables 27 and 28 of the Appendix give a concrete picture of business mortality during the period 1926-1933, as this is revealed by the changing listings of general manufacturers and contractors in Fraser's Textile Directory. The tables show that there has been a constant movement of firms in and out of the industry for the last eight years. In Ontario the average number of general manufacturers listed per year was about 70, while 60 new firms entered the business and the same number retired. Of the firms going out of business, 32, or more than half, withdrew during the three years 1930, 1931 and 1932. In Quebec the average number of firms listed each year was about 143, while 139 new firms entered the industry and 156 firms left. The number of withdrawals was particularly heavy in 1929, in 1931 and in 1932. According to our tabulations from Fraser's Directory, only 53 per cent of the

Ontario firms active in 1926 were still in business in 1933, while 45.5 per cent of the Quebec firms listed in 1926 were still in business in 1933.

Table 28 shows an even greater change in contract shops. In Ontario, the average number of shops was about 15, the number of new firms 5, and the number leaving 17. In Quebec the average number of shops was 39, the number of new firms 38, and the number leaving 65. Only 23.6 per cent of the Ontario shops listed in 1926 were recorded in 1933, while 24.6 per cent of the Quebec shops survived. About a quarter of the Quebec shops were listed for only one year, while some 70 per cent of them were listed for less than four years. The rate of infant mortality among the contract shops, it appears, has been particularly high.

While the tables show a somewhat more rapid rate of withdrawal from the industry during the depression years on the part of general manufacturers, this was not the case with the contractors. However, the Fraser's Directory figures are not entirely conclusive on this point, for reasons set forth in the footnote to Table 27. We were informed by officials of the Garment Manufacturers' Association and the union that there is no doubt about the rate of business mortality having increased very much during the depression. Moreover, they point out that not only small concerns, which have always had a high rate of business mortality, have been forced out of business, but also a considerable number of large and well-known firms that had operated successfully for years prior to the depression. Among the prominent firms that have gone bankrupt, have been absorbed by others, or have been forced into reorganization these last few years are The Lowndes Co., Wm. Leishman and Co., The House of Hobberlin, The Lailey-Trimble Co., The Regent Tailors, and W. R. Johnston and Co. of Toronto; and H. Kellert and Sons, S. Levinson and Sons, S. Wener and Co., and the Semi-Ready Tailoring Co. of Montreal. We were assured also that numerous others of the older and better-known firms in the industry would not be able to survive much longer under prevailing conditions.

(2) *Inherent Weaknesses of the Industry.*

The reasons for the industry feeling the effects of the depression so seriously, more so, it appears, than most other consumers' goods industries, are inherent in certain of its characteristics.

First is the fact that it is overcrowded with small firms. It was noted at the beginning of our report that the emergence of the factory system in the manufacture of men's clothing did not bring with it large-scale producing organizations, as a general rule. On the other hand, the industry is made up of a good many small establishments, a smaller number of moderate size, and only a very few that can be termed large. In 1931, according to the Dominion Bureau of Statistics report on the industry, some 2,000 employees worked for 127 firms, each of which had less than 50 workers; about 4,000 were engaged by 44 firms which had from 50 to 200 workers; and 3,618 were in the employ of 9 firms which had 200 employees or more. Only two firms reported 500 employees or more. Capital investment per firm was also reported as being relatively low, 89 of the 180 reporting firms having a capital of less than \$50,000, and 148 of them less than \$200,000. Only six of the firms reported capital of more than \$500,000. The figures of the number of employees and capital invested per establishment would be very much smaller for contract shops than for general manufacturers, if they were available.

The relatively small capital that is necessary makes it possible for small concerns, particularly contract shops, to enter the industry easily. All that is needed is some floor space, which can be rented cheaply or can even be provided in the home if the enterprise is very small, some second-hand sewing machines, pressing machines and irons which need not cost more than a few hundred or a thousand dollars and, most important, a few thousand dollars of working capital. One non-union shop in Toronto which we investigated had begun operations during the depression, we were told, with less than \$4,000, contributed by four men (one a manufacturer who had just failed in his former business, one a machine operator with a little money, one an unemployed foreman and the other an unemployed salesman) who formed a partnership. This shop employs some 20 workers. With such a beginning a firm of the kind can solicit orders, can obtain a line of credit at a bank, can buy cloth in small lots from jobbers (or can get it on credit from jobbers or from mills, in some instances) and can operate for some time. The work of the partners may not be pleasant. They may — and they do, in many cases — work even longer and harder than their employees, for returns scarcely sufficient for existence. But the hope of attaining success and independence as proprietors

spurs them on, and they do go on until, in most cases, the banks refuse further credit, their little capital is exhausted, and their obligations become impossible. Then there is a forced sale of their equipment and their stock, perhaps arranged privately so that a friend of one of them will be able to buy in the goods at a bargain price and thereby get an advantageous start with a shop of his own — but without reference to the interests of creditors, who, in such a case, will be left unpaid.

The fact that small firms can enter the industry so easily explains the apparent paradox of numbers of new enterprises appearing in the midst of the depression. There are always men who think they can make good where others have failed. Particularly in time of depression, when the clothing foreman, or designer, or skilled worker, loses a regular job, he is tempted to sink what little capital he may have into an independent venture in the hope that it will bring him at least some return until he can obtain work again at good wages. In the same way men who are unemployed open small retail shops, set up as building contractors, or take up farming. In every instance their chances of success are exceedingly small, but nevertheless they establish themselves as independent proprietors, partly in hope, partly in desperation, and make the position of those already in the business still more difficult by the intensity of their competition, until their brief effort is spent and they are forced to give up.

Thus there is a chronic tendency for too many firms to enter the industry and for competition to be exceedingly keen. The necessity of getting orders at any price leads to some firms quoting prices insufficient to cover their costs. The newer and smaller firms are usually the worst offenders in this respect. Badly managed and relatively inefficient, they are the very ones that can least afford to sell at low prices, and they sign their death warrants in so doing, as the figures on business mortality show. But while they last they prove thorns in the flesh of the larger and technically more efficient firms, that count upon covering their costs year in and year out.

A second major factor of difficulty is that the clothing manufacturer must sell, in many instances, to buyers who are exceedingly powerful because of the volume of business that they control. A large part of the retail distribution of men's clothing is now carried on by big department stores or by chain stores

specializing in this line. A few of the manufacturers have their own retail outlets. But the others have the problem of the "Big Buyer" to face. Several of the large department stores and chain stores, we were informed by officials of the Canadian Garment Manufacturers' Association, handle a quarter or more of all the men's clothing sold in Canada.

Against these large buyers the many small sellers in the industry appear to have only a low bargaining power. Fearful of losing the goodwill of the few big customers, the clothing firms are in a poor position to say no to whatever terms they offer. The bargaining position of a clothing shop becomes particularly weak when it sells all, or nearly all, of its output to a big buyer for some time, as many of them do. For if the firm does this it loses other outlets and trade connections and is reduced pretty much to a condition of vassalage to the department store, and it must do its customer's bidding if it is to survive. While the big customers do not control all, or nearly all, of the retail merchandising, it appears that they do exercise a dominant influence in setting both retail and wholesale prices. Since they are interested in increasing their own turnover they reduce retail prices, impress these prices upon the minds of their customers by their power of mass advertising, and then turn to the manufacturers with a demand that they cut their prices in accordance with the reduced retail prices. Other retailers, we were informed, are forced to adjust their prices to meet those of the department stores and in turn look to the manufacturers to follow suit.

The presence of the big buyers, we were informed, was one of the factors that explained the persistence of the very small shop. For it was stated by officials of the manufacturers' association that many of the shops were too small and too poor to afford any sales organization, and that they would be unable to handle the marketing of their products were it not for the travelling buyers who looked them up in search of bargains. Thus these smallest enterprises were likely to be particularly at the mercy of the large retail enterprises.

It should be pointed out that not all of the manufacturers have been subject to direct dictation from the big buyers to the same degree. Some have been partially protected through having their own retail outlets to obtain orders for them. And until just recently the made-to-measure section of the industry was compara-

tively independent. However, this meant that the pressure upon the ready-made section was all the worse, because the big buyers handled a much larger portion of the "stock" goods than of the total. But of late the department stores have entered the made-to-measure business as well, so that both sections of the industry now face the problem of dealing with them.

No doubt it is easily possible to over-emphasize the role of big buyers in bringing trouble upon the clothing industry — to pick them out as the only villains in the piece. For it is fairly clear that the industry would be faced with serious price-cutting in a period such as the present whether there were big buyers in the field or not. But their presence, and their power to initiate price policies, has no doubt accentuated considerably the pressure upon the clothing firms from the selling side. It appears to be another case, as in the marketing of many agricultural products, of semi-monopoly position on the buying side and intense competition on the selling side, of strong buyers and weak sellers. Under such conditions the sellers are bound to suffer.

Another factor of weakness in the industry is the seasonal irregularity which has already been mentioned. The alternation of feverish rush and slack period in the clothing factory inevitably raises serious problems for management and is not conducive to the development of managerial policies that make for efficiency and economy over a period of time. It has long been customary for retailers to bunch their orders for ready-made goods, at the beginning of a season. The big buyers are accused by some manufacturers of having an undue share of responsibility for seasonal irregularity. Mr. W. K. Cook, President of the Canadian Association of Garment Manufacturers, informs us in a letter that the large buyers hold their orders until late in the season in the hope of getting better prices. He believes that the situation would be very much improved if all buyers followed the policy of placing their orders earlier. In view of the uncertainty of the goods that will be required, manufacturers do not ordinarily manufacture even stock goods until they have orders for them, and of course they must always wait for orders in the case of made-to-measure goods.

The instability arising out of the seasonal factor, the rise and fall of so many firms, and the intense competition naturally makes for a good deal of waste and inefficiency. The policy of manufacturing only such garments as have been ordered by retailers

inevitably produces small factory lots which are unduly expensive to turn out. Most firms, even small ones, make up a considerable diversity of products, reaching out for more business by endeavouring to cater to every possible demand. This again is a factor that makes for manufacturing in small lots an undue expense. According to a bank survey from which we have quoted before, "the greatest weakness in the industry is lack of standardization and undue diversity of product".

The conditions which have been described do not as a rule bring to the fore able managers who follow efficient modern practices and who plan for long-run stability and efficiency. On the other hand the conditions breed managers who think most in terms of immediate advantage and who are so harassed by immediate problems that they have little time or energy for much planning ahead. Under the circumstances, it is not surprising that adequate costing systems have not been developed by most firms in the industry, that systems of inventory control are generally poor, that there has been little or no systematic planning to avoid seasonal irregularities, that labour turnover is high, that labour is suspicious and frequently unco-operative, and that strikes are common. The long run effect of this must be to make the industry as a whole less efficient than it could be. Intense competition, it appears, may generate prices that appear to be low, but it may also make for such disorganization that costs of production are not cut down as they might be, so that it is not necessarily a factor of advantage, in the long run, to dealers and to the consuming public, even in terms of price.

(3) *Competition During the Depression.*

With the decline of the market on account of the depression there has been a growing intensity of competition. Tendencies to disorganization that were held in check to a considerable extent during the years of relative prosperity have become dominant and there has been a veritable struggle for survival. Standards of fair competition have been thrown overboard and there has been a great development of unscrupulous practices to get business, in addition to the degradation of labour standards which has already been described.

Drastic price-cutting, of course, has been the leading manifestation of more intense competition. There is no index number

of clothing prices currently kept in Canada and we have no exact information of the decline in wholesale prices which has occurred. According to figures obtained from three important manufacturers, the average prices at which they sold certain staple suits and overcoats declined by about 25 per cent from 1929 to 1933; but we cannot say whether these figures are sufficiently representative for generalization or not. Whatever the amount of decline in price, we are informed by everyone we have consulted that it has been very substantial. The price war began, we are informed, some three years ago, when a Montreal manufacturer, by collusion with the sellers, bought up a large bankrupt stock of cloth, and made up suits with which he undersold his competitors. In 1932 the price reductions were particularly drastic. The pace was forced by non-union firms, mainly in Quebec, which had cut their labour costs by sharp wage reductions, and other firms were compelled to follow suit if they wanted to hold their business. The price war reached its peak in the spring of this year when one of the Toronto department stores put on a sale of made-to-measure suits at the unprecedented price of \$16.50. These were provided by a Montreal firm which has been one of the leaders in price-cutting and were made up by manufacturers and contractors in Victoriaville and other Quebec towns under sweatshop conditions of work and wages.

The part played by the big department store buyers in forcing down prices was emphasized strongly by the manufacturers whom we interviewed. The large buyers had dictated their own prices, we were told, and the manufacturers were told that they could "take it or leave it". But it was not alone the hard bargaining of the large buyers that the manufacturers resented. They claimed also that certain of the merchandising policies of the larger stores were ruining their trade. For one thing, the device of the "loss leader" was pointed out. Overcoats made from Montignac, Crombie and Carr cloths, well known for their fine quality, have recently been on sale for such a price as \$25.00 in Montreal and Toronto stores, when such a price would not cover the cost of the cloth alone. In one case, of which we have definite information, the coats actually cost a manufacturer \$47.00 each to produce! There would be in these sales only a small number of the fine coats, along with a great number of poorer and cheaper ones, the fine garments being advertised only to attract buyers. Several manufacturers stated that advertising of this type killed their market for fine

coats, since dealers were pressed by their customers to provide quality garments at prices as low as those advertised for the big sales. Well-known brands of clothing were also "slaughtered" in the same way, we were told, by their use as loss leaders by department stores.

Incidentally, it may be remarked that competition of this sort has proven disastrous for the smaller retail dealers — and as their position is weakened the problem of the big buyer becomes all the greater for the clothing manufacturers. The two, small dealer and manufacturer, naturally feel a community interest in opposition to the large-scale retail enterprise.

The device of the loss leader is not confined to the retailer only. One manufacturer informed us that he had made up suits from a well known worsted cloth and had offered these for sale at a price distinctly less than cost, with the object of attracting trade from small dealers, and we were informed that others pursued the same policy.

Misrepresentation of goods is said to have become common in the industry. One glaring instance of this occurred recently when a certain manufacturer arranged with merchants in small towns to put on a special three day sale of made-to-measure suits of a well-known brand at \$22.75. The bills advertising these sales stated that the suits were to be made of excellent imported cloths, such as Harris Tweeds, and that they represented regular values up to \$35.00 and \$40.00. According to our information the advertisement was quite misleading, for the firm that formerly made suits of the brand in question had gone out of business some three years ago and the brand name had been bought by the manufacturer conducting the sale; the clothes that he manufactured were of very poor quality, expensive at a retail price of \$22.75; and the cloth that he put into his garments was far below the claims made for it.

In still other cases, we were told, patterns of good cloth have been reproduced by woollen mills, to the order of clothing manufacturers, on poorer and cheaper material, so that these imitation quality cloths might be put in sample books. The object of this is to deceive dealers about the quality of the cloth the manufacturer will put into a made-to-measure suit; and to have the dealers in turn (quite innocently, perhaps, for most dealers and salesmen know only enough about cloth to presume that good quality goes with certain patterns) deceive their customers.

The made-to-measure business has grown during the depression and has offered serious competition to those manufacturers specializing in ready-to-wear garments. It is curious that this type of business should have increased in a period when there was great pressure to reduce prices, for the process of making and selling made-to-measure suits is more expensive than the production of "ready-mades". The explanation appears to lie in the fact that dealers have found it possible to convince customers that they were getting the same thing as a custom-made hand-tailored suit when they gave a made-to-measure order. Many customers have gained this impression from the advertising of made-to-measure clothes. Sales pressure of this sort is naturally considered unfair by those firms engaged mainly in the ready-to-wear business.

The price war has also led to sacrifice of quality of materials and workmanship, in many cases. With the buyers' insistence upon lower prices, considerations of quality have been cast aside all too frequently. In some instances, we were informed, manufacturers have more or less deliberately undertaken to "milk their garments" — to cut out some of the material and workmanship that ought to go into the inside of a garment to give it the proper fit, appearance and wearing quality.

Sales on consignment represent another type of competitive practice that was pointed out to us. As a means of getting business a manufacturer may agree to send his goods to a merchant "on consignment" — that is to say, on the understanding that he will be paid only for those garments that the retailer sells. In such cases it frequently happens that the retailer informs the manufacturer that the goods will not move at the price agreed upon initially and suggests a lower price. The manufacturer, badly in need of money, is compelled to accept the revised offer. Only a manufacturer in a desperate position will accept consignment orders, for the scheme throws upon him the burden of risk in merchandising which the retailer normally assumes. The fact that this practice has developed to some extent is another indication of the weak bargaining position of many of the manufacturers.

But it is in the realm of labour standards that the intensity of competition has been felt most keenly. We have already seen how the position of labour in the industry has been degraded. The price war and the great importance of labour costs have naturally led manufacturers to cut their labour costs as much as they could.

The leaders in the movement were those who were free to pass on cuts to their workers — those who were outside of effective union control and who were in the midst of an overcrowded labour market. The firms in country towns, particularly in Quebec, were in the best position for exploiting labour and this explains why they were in the forefront of the movement. With the almost complete collapse of effective unionism in Montreal during 1932 the drastic reduction of labour standards spread to that city; and competition from Quebec, as well as from the few country shops and the non-union shops in Ontario, forced reductions in the union section of the industry in Toronto and Hamilton. The continued pressure of low prices and declining business led to the desertion, by many manufacturers, of every standard of labour conditions that could be discarded — observance of the minimum wage laws, reasonable hours of work, the avoidance of night work, the provision of the elementary physical amenities in the shop, even honesty in the keeping of records. Many clothing factories became sweat-shops, with labour conditions worse than they had been in a generation of the history of the industry.

In view of what has been said it becomes possible to understand the vehemence with which some of the manufacturers who have a sense of social responsibility and who believe that fair dealing has a place in business denounce the conditions in their industry. Moral standards, they say, have been thrown overboard by their competitors, along with good labour standards and normal trade practices. "It is amazing," said one, "the depths to which they will stoop to get business!" And another declared that "there is no ethics in the industry"!

Naturally the burden of the cut-throat competition which has been described has fallen more heavily upon the firms that have endeavoured to maintain fair conditions of work and wages and that have avoided sharp competitive practices. We are informed that firms of the sort had quite definitely lost business to lower standard concerns. Both manufacturers and union officials assured us that, particularly in 1932, business had shifted from Toronto, where labour conditions in the union shops have remained relatively good, to the Montreal area. Probably this was so — although it appears from the only figures that are available on this point that the smaller towns of Quebec were the gainers rather than the city of Montreal. Table 29 of the Appendix, which shows the share

of the total manufacturing business held by each of the major cities from 1929 to 1932, as indicated by Dominion Census of Industry reports on gross value of production, suggests that Toronto's share fell off materially in 1932 as compared with 1931, that Montreal's share fell off slightly, and that "other cities and towns" (which are mainly in Quebec) gained substantially, as did the city of Hamilton. But according to these figures Toronto and Montreal held practically the same relative positions in 1932 as in 1929.

Unfortunately our statistical evidence on this point is inadequate, or is conflicting. The Census of Industry figures do not show a substantial shift of business from Toronto to Quebec, such as might be expected in view of the low cost of competition from that province. But the Census of Unemployment figures for 1931, which were cited in Section II, point in the opposite direction. We have been assured positively by manufacturers, union officials and department store buyers whom we have interviewed that there has been a real drift of business to Quebec during the depression particularly in the ready-made branch of the trade; and we are inclined, in this instance, to accept the views of the men in the industry who know it intimately, in spite of conflicting statistical evidence. It has already been noted that we are somewhat uncertain about the success of the Dominion Bureau in getting full reports from the many small shops in Quebec.

It seems probable also that the shops which have tried to maintain good standards have lost business to low standard shops in the same city. Thus there may have been some shifting of trade from union to non-union firms in Toronto. And even when the former have succeeded in holding their business it is clear that they have suffered seriously from sweatshop competition in the form of business losses, encroachments upon capital, and bankruptcies.

If the union firms that have tried to maintain good standards have suffered, it is hard to say who has gained from the price-cutting and the struggle for a limited market. The low standard firms have made losses as well as the best union shops; and the sweatshop has been forced out of business no less than the reputable firm. The struggle for survival has exhausted all of the competitors; and none have attained profits and business security by means of the exploitation of labour.

SECTION V

A PROGRAMME OF CONTROL

(1) *The Need for Control.*

The situation which has been described points clearly to the need for some system of control of the industry if the interests of labour are to be protected and if decent employers with a sense of social responsibility are to have a fair chance of continuing in business.

Our analysis shows that the forces of disorganization inherent in the nature of the industry make for serious difficulties, even in times of good business; and that general business depression has released these forces so that they have wrought havoc. The manufacture of men's and boys' clothing in Ontario and Quebec is at present a sweated industry in considerable part. The employers and big buyers who are taking advantage of the sweatshop, even though they may be in a minority, are ruining the industry as a whole. It is, we have shown, by no means only labour which has suffered, though in terms of want and privation labour has borne the greatest burden. Capital too has suffered, for investments in legitimate and well-conducted enterprises have been destroyed, and the small retailer has been adversely affected. And it is at least questionable whether the final consumer has gained any benefit. The present laws on minimum wages, hours of work and factory conditions are inadequate to protect the living standards of the workers and trade unionism is also insufficient to achieve this purpose; while the tendencies to industrial disorganization are but little affected by these methods of control. The industry today is wide open to the free play of almost unregulated competition and the existing confusion is the result.

A major presumption underlying our present industrial system is that it is best to leave the production and distribution of goods to the free play of competitive forces, apart from certain exceptional situations in which competition is clearly incapable of operating in the social interest. "Competition," says Professor W. H. Hamilton, in explanation of this presumption, "gives assurance of order and economy to the affairs of industry. Its regime promotes efficiency in organization, economy in resources, fairness to the interested parties and orderly development in business. It

tends to make each establishment in an industry tight and tidy, to fit establishments neatly together into industries and to articulate industries into an orderly system. It allows little tolerance to waste; the producer who would survive must give constant thought to cutting his expenses and must keep his house in order . . . Its rule safeguards the interest of the consumer. No seller can persist, against others who would have his market, in palming off low quality goods or in selling wares for what they are not; nor can he keep on charging more than the traffic will mercifully bear. Since the producer is ever alert to reduce costs there is a constant spur toward progress in the industrial arts; since advances in technology quickly become common property the consumer is the lasting beneficiary of discovery and invention. The rule of competition insures to the workman the true and full value of his service; and reasonable arrangements in regard to hours, safety, health, discipline and hiring and firing . . . All in all a decentralized system is far preferable to the way of authority. ⁽¹⁾

Whatever may be the results of competition in other industries, ⁽²⁾ the evidence that we have presented makes it abundantly clear that the competitive promise is not being fulfilled in the men's clothing trade. Labour, we have seen, can scarcely be said to have obtained the "true and full value" of its service, or "reasonable arrangements in regard to hours". Manufacturers can make no profits and are subject to a very high degree of business risk. Their enterprises are not "tight and tidy", articulated into "an orderly system". The intensity of competition makes for sales below costs in a great number of instances, which does not represent "fairness to all interested parties". According to the theory of competition this condition should correct itself. But it does not, for reasons that has been outlined above, and sales at less than cost continue to occur in a wide section of the industry — although not for too long by the same producer.

We may question also whether competition in this industry "safeguards the interest of the consumer". Since the harm to the

(1) Article on "Competition", in Encyclopedia of the Social Sciences.

(2) We should point out very clearly that we do not pretend the following argument to be applicable to other industries — even other branches of the needle trades. We have made no examination of other industries, and what we say here and elsewhere is intended to apply only to the industry which has been the object of our study — one in which, we believe, there are many special conditions that call for special remedies.

consumer has not been emphasized this point must be amplified. We think that he suffers in several ways. In the first place, he is confronted with the problem of unreliable goods. Some products offered to him at apparently low prices may be very good bargains; while others may be the very reverse. Cut-throat advertising and intense sales pressure, the disappearance of brand names known to be guarantees of reliability, the prevalence of deception and misrepresentation and other factors put him in a position where he cannot be sure of what he is getting for his money. Buying, for him, becomes a gamble — in which the losses may exceed the gains.

Secondly, quality of goods suffers. We have seen that the instability and fierce competition of the industry discourage careful attention to detail and good workmanship and consumers stand to lose when the quality of the goods they buy is reduced or is kept low.

It may be argued that any harm to the interest of consumers which has occurred on account of the operation of the two factors mentioned above has been fully offset by low retail prices arising from sales by the manufacturers at less than cost. However, it is at least a question whether manufacturers' sale prices, unprofitable as they have been, could not have been still lower had the industry been stable and reasonably profitable. It has been pointed out above how instability and fierce competition have made for waste, inefficiency and relatively high production costs in many establishments. With greater stability there would be far more opportunity for the development of better technical methods and for wiser management which should be reflected ultimately in lower costs of production. It is not unreasonable to believe that the stabilization of the industry would make for economies in production which would make possible selling prices by the manufacturers no higher than those that arise from an inefficient sweatshop system, at the same time that labour was decently rewarded and that capital drew a fair return. But at worst, if it were necessary for a time to increase manufacturers' prices somewhat, the loss to the consumer need be but little, for only about a third of his clothing dollar goes for the process of manufacture. The rest goes for materials and to the retailer.

If this argument is correct and if unregulated competition in the clothing industry does not even work in the interest of con-

sumers, the last possible argument against it disappears and the need for control cannot be denied.

We come now to the question of what form of control is necessary. In the first place, is there any possibility of the industry setting its own house in order?

We have seen already that action by the workers' trade union to limit competition in the labour realm has had only partial success and that the difficulty which the union faces of organizing all workers in all shops makes it practically impossible to control the labour situation adequately by this means. For much the same reasons it is impossible to expect self-regulation by employers. There have been associations of clothing manufacturers for some time, but these associations have never included all of the firms in the industry. Typically, it is the good standard firms that most feel the need of collective action. Always there are some, not sufficiently aware of the problems of the industry, as apart from their own particular problems, which will not join even an ordinary trade association. And even if the full membership of all firms could be gained there is no guarantee whatsoever that an association of manufacturers by itself would find it possible to work out an effective code of self-government. Modest attempts in this direction have been made in the past and have always failed, because of the inability of the voluntary association to force its members to hold to an agreement. We were informed by officials of the Canadian Association of Garment Manufacturers that there was no hope of voluntary undertakings to desist from certain competitive practices being honoured. For one or more of the individual firms making such a promise would probably break it; and then others in self-protection would follow suit. Indeed we were informed that there is at present such distrust of each other among the manufacturers that they would have no confidence whatsoever in the value of any voluntary agreement. "There must be teeth in the scheme — penalties", we were told.

Voluntary action by the joint agreement of employers and trade union would seem to be somewhat more promising than by either group operating alone, for each group would reinforce the other. But the same difficulty of getting full co-operation from all employers would be present. It is practically certain that a minority would refuse to have anything to do with joint control, and so long as a minority was outside it could pursue under-cutting

tactics that would make it difficult or impossible for the scheme to operate successfully.

We are driven to the conclusion, therefore, that an adequate plan of control requires intervention from without the industry — in other words, intervention from the state. Government action is absolutely necessary to make any plan effective. Fortunately a great majority of the workers, represented by the Amalgamated Clothing Workers, are eager for a system of control and are willing to accept government intervention, and the organized employers adopt the same position. Government action is necessary to bring into line minorities of employers and of workers who do not understand the advantage of co-operation. However, while those in the industry who favour state intervention are willing to subject themselves to rules of industrial conduct that will improve their position, they do not want to see a rigid system of government control established. They are eager to have substantial rights of self-government, and they believe that with proper backing from the state this aspiration can be realized.

With this point of view we may say we are heartily in accord. We think that a system of control should be adopted that will combine regulation by government with self-regulation by the industry.

(2) *Proposals for Control.*

With these considerations in mind we venture, therefore, to put forward certain positive suggestions for control. We would point out again that these proposals relate only to men's clothing, the special object of our study, and that they are not necessarily desirable in, or applicable to, other industries, which are beyond the scope of our investigation. While we do not, of course, pretend that the plan we advocate would cure all the ills of the industry, notably those arising from general business depression, we do think that it could do much to alleviate the immediate distress of labour, as well as to protect and advance the other interests concerned, those of employers, investors, retail dealers and the general public.

There are five main objectives that must be kept in mind in drafting any scheme for control. In the first place, fair wages must be secured for the workers, for reasons which are partly

moral and partly economic. On moral grounds, the just demands of labour for a reasonable standard of living must be met. On economic grounds, control of wages is necessary to eliminate those unfair forms of competition in labour costs that have been making for industrial chaos. Secondly, the hours of work must be shortened, and reasonable conditions of work must be provided; for reasons of justice towards the employees and in order to curtail unfair competition in the exploitation of labour. Thirdly, restrictions should be placed upon the types of unfair business practice which have been described, the continuance of which must necessarily tend to perpetuate industrial instability. In the fourth place, a general stabilization of the industry should be aimed at in order to secure greater regularity of employment and to obtain the economies and efficiencies of better management. Finally the interests of the consumer must be taken into account; no scheme of control is worth a moment's consideration the effect of which is merely to exploit the public.

The first and most obvious step to be taken is the extension and proper enforcement of the existing laws relating to control of wages, hours and factory conditions. At present the hours of work of adult male employees in Ontario and Quebec are not regulated by law at all. ⁽³⁾ In Quebec, women and girls and boys under 18, may lawfully be employed for as much as 56 hours per week. In Ontario the situation is even worse; women's and boys' hours are fixed at 60 per week, and boys over 16 are not protected. The present restrictions are hopelessly antiquated, in so far as the clothing industry is concerned. We have shown too that not even these regulations are being adequately enforced in either province. We recommend the limitation of hours of work of both men and women in the clothing industry to a reasonable maximum — not to exceed 48 hours in the week under any circumstances. It is significant that in the United States the present maximum for hours in this particular industry is 36, and the American Federation of Labour is already demanding a 30 hour week. In addition the minimum age of employment for children in both provinces, which at present permits boys and girls to be engaged at the age of 14, should be raised from 14 to 16 years. Night work for women and children in Quebec clothing factories should be prohibited. Moreover, the Factory Acts should be brought thoroughly

(3) Except in Quebec as pointed out in Section III.

up to date, in line with the principles of modern industrial hygiene, to ensure that all shops provide the elementary physical amenities for their employees, such as light, ventilation, cleanliness, toilet, drinking and washing facilities, rest rooms for women, cloak rooms, and the like. While the existing laws contain provisions of this kind the legislation should be improved at a number of points.

In the matter of wages, the extension and improvement of the provincial minimum wage laws is urgently required. As we have seen, the wages of men are not controlled by law, and the protection of women's wages is inadequate because of weaknesses in the legislation and because of ineffective enforcement. At the very least the existing legislation should be extended so as to provide, as the Quebec Minimum Wage Board has recommended and as has been adopted in Manitoba and Alberta, that men and boys may not receive lower wage rates than those prescribed for women and girls. This provision would not only protect men and boys somewhat against very low rates; it would also make more effective the protection of women, for it would make impossible the substitution of men and boys for women workers at rates lower than those prescribed for women. But we think that protection of men and boys against sweated rates of wages should go even farther; and that both Ontario and Quebec should enact statutes that would prescribe separate minima for men, somewhat higher than those for women, which would be designed to cut out such disgracefully low rates as we found men receiving, if not to guarantee them "living wages" or rates such as their union can obtain for them by bargaining. In this, the two provinces would merely be following long-established practice in other parts of the British Empire, including British Columbia, Great Britain, New Zealand and Australia.

Certain items of detail in the existing regulations for women also require revision. For instance, the Ontario Board should exercise its power to declare that the rates it prescribes apply to a 44 hour week in the clothing industry. The Quebec Act should be amended to limit more than it does the power of the Board to grant exemptions from the Act, and to provide for recovery of back wages for employees who have been underpaid by court order, without the employee having to bring suit herself. The regulations of both Boards regarding exemptions of apprentices and new workers from regulations that apply to experienced workers should

be made more stringent; and penalties for violation of the Acts would be made more severe, in keeping with the seriousness of such offences.

But it is even more important than the improvement and extension of the existing labour legislation that the laws on the statute books should be properly enforced. This cannot be done without proper machinery of enforcement — and we have been driven to the conclusion that the existing machinery has not been adequate. It is of the greatest importance that in both provinces there should be provided adequate, trained and competent personnel to carry on this important work. With a sufficient number of competent inspectors we think that the Factory Inspection Branches and the Minimum Wage Boards could see to it that employers keep proper records and submit adequate reports, thus providing the necessary basis of information which is required for enforcement; and that these staffs could work out administrative methods that would make it difficult for employers, by subterfuge, to deceive the administrators and thus to evade the law, as seems to have occurred frequently of late.

Such elementary reforms as these, which no socially-minded person would oppose, would not cure all the ills of the clothing industry. But we are sure that they would go some distance towards making impossible the gross under-payment and overwork of labour which we have found to exist in the trade, and towards cutting out the worst instances of unfair competition in the exploitation of labour.

Minimum wages and maximum hours, however, leave untouched the other defects in the present organization of the industry. Unfair business practices, seasonal fluctuations and general instability will not be eliminated without a more positive method of control. Taking as our models the recently created Boards of Control under the English Agricultural Marketing Act, and the Meat Export Control Board and the Dairy Produce Export Control Board which have long been operating in New Zealand, we would advocate the creation of a Board of Control for the men's clothing industry in Canada. This Board might consist of representatives from employers, labour and consumers. To avoid political interference, this consumer's group should be appointed by the Dominion Government from a panel of names selected by the representatives of employers and workers. The functions of the

Board would be to undertake a process of self-government within the industry, by means of protecting and advancing labour standards, restricting unfair competition, and developing co-operative methods that would make for efficiency and economy in production.

In more detail, we suggest that the Board should assist in the enforcement of labour legislation; that it might be authorized to prescribe minimum wages, maximum hours and satisfactory working conditions for its own industry; that to make such work effective it should have the right of access to the premises and records of all firms in the industry, that it should have the power to define and control, in some measure, unfair business practices, that it should have the power to maintain quality and workmanship of garments, through a system of labels or otherwise, with power to withdraw the privilege of using labels from any manufacturer violating the orders of the Board, and that it should have the duty of making studies and reports about the industry with a view to the regularization of employment, the improvement of industrial technique, the better organization of marketing, and the working out of effective co-operation between component parts. To make this scheme effective the Board should have power to impose minor penalties for disobedience to its regulations. Appeals from decisions of the Board on such important matters as penalties or withdrawals of labels might be allowed to the Dominion Minister of Trade and Commerce.

Such a scheme as is here outlined would meet the objection of those who are opposed to further governmental expenditure or to the idea of state operation of industry. The clothing industry would remain under the control of those whose experience qualifies them to understand and manage the business of manufacturing and selling clothing, and the expenses entailed would be met either by a label fee or by a general assessment of the industry. The essence of the scheme is that the people who are most interested in securing stabilization are the ones best entrusted with authority to control; a principle common to the English and New Zealand plans referred to above.

Moreover, this form of control does not look to the elimination of all "freedom of enterprise". Competition would still remain. But it would be a competition limited so as to make impossible the destructive and unethical competition which has gone far to ruin the industry. New firms would be allowed to enter the industry.

Competition in price, quality and service would still be present to relegate the inefficient concerns, via the bankruptcy courts, to oblivion. Bargaining over wages and labour standards would remain, between the union and the associated manufacturers, and this would result, in many instances, in the establishment of better standards than the minima prescribed by legislation or by the action of the Board.

One further point we should like to emphasize particularly. That is that the Board would act to protect the interests of consumers, as well as those of workers and employers. It would do this in two ways. First, by virtue of its composition, it could not agree to measures that were designed to exploit consumers to the advantage of those in the industry. Second, it might render most important service by expanding its constructive functions, as the success of its restrictive activities in stabilizing the industry rendered these latter less necessary. The constructive functions that we envisage include measures to lessen seasonal irregularities. The Board might undertake, in behalf of the industry, to persuade buyers to place orders in the slack seasons, by means of advertising, arranging for discounts on early orders, early shows of new models, and the like. It might arrange co-operative sales schemes that would cut down selling costs. It might provide a service of information and advice to manufacturers in such items as inventory control, new technical methods and cost accounting. In many ways it might operate to stimulate efficiency and economy in the industry. In higher efficiency there are, we believe, real possibilities of keeping costs low; and with fair competition in manufacturing and selling the advantage of this should be passed on to the final consumer.

In view of the division of legislative powers between Dominion and provinces, the jurisdictional problems involved in the proposal require particular consideration. In our opinion the Board of Control should be constituted by Dominion legislation with concurrent legislation adopted by the provinces. This again is a practice that is becoming increasingly frequent under the Canadian constitution; the Old Age Pensions Act, the Industrial Disputes Investigation Act, the Technical Education Acts, the Employment Services Co-ordination Act, and the Unemployment Relief Acts are obvious examples. To be effective the Board of Control would require authority to operate at least in the provinces of Ontario and

Quebec. It is therefore beyond the competence of either provincial legislature to create it. The Dominion Parliament, under the Trade and Commerce clause of the B.N.A. Act, has authority to legislate in matters of interprovincial trade and matters affecting the general regulation of trade and commerce throughout the Dominion. The garment industry clearly has interprovincial aspects, since the two central provinces supply most of the clothing for the entire Dominion. On the other hand the provinces have jurisdiction over hours and wages, and in general over intra-provincial trade. Cooperation between Dominion and provinces seems therefore essential to the full working of the scheme. In particular it would appear that Dominion legislation was necessary in order to make certain that the proposed control of the industry did not run counter to the provisions of the Dominion laws directed against combines.

To make sure that the proposed legislation had the backing of the majority of employers, the provision might well be made that the statutes would only come into force from the date when a certain proportion of the firms in each province had expressed their consent. Under the British Agricultural Marketing Act the majority required is two thirds in number of the registered producers, and also a number of producers capable of producing not less than two thirds of the quantity of the regulated product which all the voting producers are capable of producing. Procedure of this kind would ensure that the new scheme of industrial government would be based upon the consent of the governed.

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TABLE 1
PRINCIPAL STATISTICS OF THE MEN'S FACTORY CLOTHING INDUSTRY IN CANADA
BY YEARS, 1924 - 1932. *

Year	No. of Establishments	Capital Invested	No. of Employees	Salaries and Wages	Gross Value of Products	Value Added by Manufacture
1924.....	170	\$22,976,062	10,963	\$11,291,908	\$36,403,293	\$18,157,419
1925.....	175	24,180,348	10,818	11,452,335	38,236,384	18,346,124
1926.....	188	25,826,383	11,147	12,498,584	41,784,131	19,839,212
1927.....	204	24,919,334	11,479	12,675,048	43,286,614	21,950,926
1928.....	218	27,263,996	11,879	13,085,548	48,477,178	23,909,850
1929.....	205	28,493,549	11,506	13,371,417	50,580,168	24,926,195
1930.....	192	26,294,787	10,836	11,542,990	40,819,423	19,285,909
1931.....	180	21,599,392	9,701	9,585,462	33,950,083	15,587,270
1932.....	242	16,756,859	9,285	7,885,652	28,155,558	12,841,625

* Source: Dominion Bureau of Statistics Reports on Men's Factory Clothing Industry.

TABLE 2
PRINCIPAL STATISTICS OF THE MEN'S FACTORY CLOTHING INDUSTRY
BY PROVINCES, 1931. *

Provinces	No. of Establishments	Capital Invested	No. of Employees	Salaries and Wages	Gross Value of Products	Value Added by Manufacture
N.S. and N.B.	3	\$ 151,844	161	\$ 80,919	\$ 323,941	\$ 135,020
Quebec	119	11,198,461	4,967	4,678,024	20,378,471	9,289,906
Ontario	48	9,790,324	4,281	4,577,521	12,492,251	5,871,007
Manitoba	7	162,671	140	106,480	363,459	135,465
Alberta and B.C.	3	296,092	152	142,518	391,961	155,872

* Source: Dominion Bureau of Statistics Report on Men's Factory Clothing Industry, 1931.

TABLE 3
PRINCIPAL STATISTICS OF THE MEN'S FACTORY CLOTHING INDUSTRY
BY CITIES, 1931. *

Cities	No. of Establishments	Capital Invested	No. of Employees	Salaries and Wages	Gross Value of Products	Value Added by Manufacture
Montreal	101	\$ 8,385,578	3,589	\$ 3,643,262	\$17,042,307	\$ 7,732,214
Toronto	36	7,890,200	3,524	3,810,161	10,366,197	4,801,829
Quebec	8	661,528	322	238,809	752,669	408,601
Winnipeg	7	162,671	140	106,480	363,459	135,465
Hamilton	4	1,116,959	347	418,478	1,027,640	551,985
Other Cities and Towns	24	3,382,456	1,779	1,368,272	4,397,811	1,957,176

* Source: Dominion Bureau of Statistics Report on Men's Factory Clothing Industry, 1931.

TABLE 4

EMPLOYEES, SALARIES AND WAGES AND AVERAGE EARNINGS PER EMPLOYEE, AND
WAGE-EARNERS, WAGES AND AVERAGE WAGES PER WAGE-EARNER,
MEN'S FACTORY CLOTHING INDUSTRY, 1928-1932. *

Year	Employees	Salaries & Wages	Average Earnings	Wage-earners	Wages	Average Wages
1928	11,879	\$13,085,548	\$1,101.57	10,435	\$10,342,342	\$ 991.12
1929	11,506	13,371,417	1,162.13	10,086	10,774,894	1,068.30
1930	10,836	11,542,990	1,065.24	9,505	9,078,786	955.16
1931	9,701	9,585,462	988.09	8,340	7,109,940	852.51
1932	9,285	7,885,652	849.29			

* Source: Dominion Bureau of Statistics Census of Industry Reports. The 1932 figures are preliminary and not quite complete.

TABLE 5

WAGE-EARNERS IN THE MEN'S CLOTHING INDUSTRY REPORTING TIME LOST FROM
WORK FOR YEAR ENDING JUNE, 1931, FOUR CITIES. *

	Total Wage earners	No. Losing Time	Percentage of Total Wage-earners	Average No. Weeks Lost by those Losing Time	Percent of Full Time Lost
<i>Men's Clothing Industry</i>					
Toronto	1,909	1,408	73.8	23.8	35.1
Montreal	4,440	2,739	61.7	22.3	27.5
Quebec	153	76	49.7	19.7	19.6
Hamilton	38	26	68.4	24.7	33.9
<i>Tailors and Tailoresses</i>					
Toronto	2,217	1,484	66.9	24.4	32.7
Montreal	2,744	1,677	61.1	22.9	28.0
Quebec	90	39	43.3	17.2	14.9
Hamilton	280	187	66.8	26.4	35.2
<i>Sewers and Sewing Machinists</i>					
Toronto	5,059	3,225	63.8	21.3	27.2
Montreal	9,164	5,280	57.6	19.7	22.7
Quebec	524	231	44.1	17.5	15.4
Hamilton	469	302	64.4	21.8	28.0

* Source: Dominion Bureau of Statistics Census of Unemployment Reports. The two latter groups, occupational classifications, overlap with the first, an industrial classification. However, all of those in the two latter groups were not employed in the men's branch of the clothing industry. The last column of the table showing "percentage of full time lost", has been constructed by counting 50 weeks of work as full time for each wage-earner, by computing the total possible number of weeks of work for the whole group of wage-earners, and by taking the total number of weeks lost by those losing time as a percentage of this figure.

TABLE 6
EMPLOYEES, SALARIES AND WAGES, AND AVERAGE EARNINGS PER EMPLOYEE,
MEN'S CLOTHING INDUSTRY, ONTARIO AND QUEBEC, 1929-1932. *

Year	Ontario			Quebec		
	Employees	Salaries and Wages	Average Earnings	Employees	Salaries and Wages	Average Earnings
1929	4,180	\$5,466,724	\$1,307.83	6,742	\$7,448,670	\$1,104.82
1930	4,186	4,908,875	1,172.69	6,169	6,239,583	1,011.44
1931	4,281	4,577,521	1,069.26	4,967	4,678,024	941.82
1932	3,630	3,372,371	929.03	5,227	4,191,296	801.85

* Source: Dominion Bureau of Statistics Census of Industry Reports.

TABLE 7
EMPLOYEES, SALARIES AND WAGES, AND AVERAGE EARNINGS PER EMPLOYEE,
BY CITIES, MEN'S FACTORY CLOTHING INDUSTRY, 1932. *

	Employees	Salaries and Wages	Average Earnings
<i>Montreal</i>			
General Manufacturers	2,759	\$2,567,500	\$ 930.59
Contractors	702	366,095	521.50
<i>Toronto</i>			
General Manufacturers	2,593	2,438,538	940.43
Contractors	40	26,080	652.00
<i>Quebec</i>			
General Manufacturers	284	196,214	690.89
<i>Winnipeg</i>			
General Manufacturers	158	124,777	798.73
<i>Hamilton</i>			
General Manufacturers	518	576,506	1,112.94
<i>Other Cities and Towns</i>			
General Manufacturers	1,775	1,361,334	766.95
Contractors	346	168,466	486.90

* Source: A preliminary report prepared specially by the Dominion Bureau of Statistics. Figures for Toronto are incomplete.

TABLE 8

AVERAGE WEEKLY EARNINGS AND AVERAGE HOURLY EARNINGS OF MALE AND FEMALE EMPLOYEES IN TWO REPRESENTATIVE UNION SHOPS, TORONTO, AUGUST, 1933.

Amount	Weekly Earnings		Amount	Hourly Earnings	
	Men	Women		Men	Women
\$ 5.00 or less	1	6	20 cents or less	3	6
5.01 - 7.50	3	7	21 - 25	-	1
7.51 - 10.00	14	22	26 - 30	4	10
10.01 - 12.50	13	2	31 - 35	4	14
12.51 - 15.00	19	1	36 - 40	5	7
15.01 - 17.50	22	-	41 - 45	2	2
17.51 - 20.00	14	-	46 - 50	7	-
20.01 - 25.00	14	-	51 - 56	8	-
25.01 or more	5	-	56 - 60	11	-
			61 - 65	4	-
Total	105	38	66 - 70	11	-
			71 - 75	15	-
			76 - 80	9	-
			81 or more	3	-
			Total	86	40

TABLE 9

AVERAGE WEEKLY EARNINGS OF WORKERS IN TWO TORONTO NON-UNION SHOPS, AUGUST, 1933, FROM PAYROLL RECORDS.

Amount	Men	Women
\$ 5.00 and less	1	-
5.01 - 7.50	1	2
7.51 - 10.00	1	1
10.01 - 12.50	4	4
12.51 - 15.00	1	-
15.01 - 17.50	7	1
17.51 - 20.00	3	-
20.01 - 22.50	3	-
22.51 or more	4	-
Total	25	8

TABLE 10
 AVERAGE WEEKLY EARNINGS AND AVERAGE HOURLY EARNINGS OF FEMALE
 WORKERS IN A TORONTO NON-UNION SHOP, OCTOBER, 1933, AS REPORTED
 BY WORKERS INTERVIEWED..

Weekly Earnings			Hourly Earnings		
Amount	Workers		Amount	Workers	
\$ 5.00 or less	—		15 cents or less	6	
5.01 - 7.50	9		16 - 20	7	
7.51 - 10.00	6		21 - 25	6	
10.01 - 12.50	9		26 - 30	8	
12.51 - 15.00	4		31 - 35	2	
15.01 or more	1		36 or more	—	
Total	29		Total	29	

TABLE 11
 WEEKLY WAGE RATES OF WORKERS IN A TORONTO NON-UNION SHOP, OCTOBER,
 1933, AS REPORTED BY STRIKING WORKERS TO THE UNION.

Amount	Men	Women
\$ 5.00 or less	1	—
5.01 - 7.50	3	5
7.51 - 10.00	16	11
10.01 - 12.50	13	24
12.51 - 15.00	6	4
15.01 - 17.50	5	—
17.51 - 20.00	2	—
20.01 or more	1	—
Total	47	44

TABLE 12
 ANNUAL EARNINGS OF REGULAR WORKERS IN TWO REPRESENTATIVE UNION
 SHOPS, TORONTO, 1932.

Amount	Men	Women
\$ 400 or less	6	16
401 - 600	21	20
601 - 800	30	3
801 - 1000	31	—
1001 - 1200	13	—
1201 - 1400	9	—
1401 - 1600	3	—
1601 or more	2	—
Total	115	39

TABLE 13

AVERAGE WEEKLY EARNINGS AND AVERAGE HOURLY EARNINGS OF EMPLOYEES
IN UNION SHOP A, MONTREAL, AUGUST, 1933.*

Amount	Weekly Earnings		Amount	Hourly Earnings	
	Men	Women		Men	Women
\$ 5.00 or less	1	—	10 cents or less	1	—
5.01 - 7.50	11	3	11 - 15	13	—
7.51 - 10.00	11	12	16 - 20	8	15
10.01 - 12.50	6	8	21 - 25	7	6
12.51 - 15.00	7	6	26 - 30	4	6
15.01 - 17.50	2	2	31 - 35	5	2
17.51 - 20.00	4	—	36 - 40	—	2
20.01 - 25.00	5	—	41 - 45	4	—
25.01 - 30.00	1	—	46 - 50	2	—
30.01 - 35.00	—	—	51 or more	5	—
35.01 or more	1	—	Total	49	31
Total	49	31			

* Source: Payroll Records.

TABLE 14

AVERAGE WEEKLY EARNINGS AND AVERAGE HOURLY EARNINGS OF EMPLOYEES
IN UNION SHOP B, MONTREAL, JUNE, 1933.*

Amount	Weekly Earnings		Amount	Hourly Earnings	
	Men	Women		Men	Women
\$ 5.00 or less	—	—	10 cents or less	—	—
5.01 - 7.50	—	1	11 - 15	—	—
7.51 - 10.00	1	3	16 - 20	1	4
10.01 - 12.50	1	1	21 - 25	—	1
12.51 - 15.00	—	2	26 - 30	1	1
15.01 - 17.50	2	—	31 - 35	1	1
17.51 - 20.00	3	1	36 - 40	3	1
20.01 - 25.00	9	—	41 - 45	1	—
25.01 - 30.00	—	—	46 - 50	2	—
30.01 - 35.00	1	—	51 or more	8	—
35.01 or more	—	—	Total	17	8
Total	17	8			

* Source: Payroll Records. This shop (which makes a high grade garment) did not work during August and was on short time during July. The above table is based on figures for June, 1933, when the shop was working full time. All but two of the employees were on piece work and no record of hours was kept. The employer assured us that the shop worked only 44 hours per week and the hourly rates were calculated on that basis.

TABLE 15

AVERAGE WEEKLY EARNINGS AND AVERAGE HOURLY EARNINGS OF EMPLOYEES
IN UNION SHOP C, MONTREAL, AUGUST, 1933.*

Amount	Weekly Earnings		Amount	Hourly Earnings	
	Men	Women		Men	Women
\$ 5.00 or less	4	6	10 cents or less	-	-
5.01 - 7.50	3	6	11 - 15	-	-
7.51 - 10.00	6	-	16 - 20	-	-
10.01 - 12.50	1	-	21 - 25	-	-
12.51 - 15.00	-	-	26 - 30	-	4
15.01 - 17.50	-	-	31 - 35	3	3
17.51 - 20.00	-	-	36 - 40	1	2
20.01 - 25.00	-	-	41 - 45	3	1
25.01 - 30.00	-	-	46 - 50	1	2
30.01 - 35.00	-	-	51 or more	6	-
35.01 or more	-	-			
Total	14	12	Total	14	12

* Source: Payroll Records. The information was taken from the books of the shop, but since they haven't a punch clock, and since the workers were all on piece work, the hours listed on the books are not likely to be exact. At first (particularly after having become accustomed to seeing such low rates paid in the trade), we could hardly accept the figures for hourly rates, and questioned the employer again about his calculation of hours worked during the week. He was quite emphatic about the correctness of his calculation, and we were further assured by the union business agent that the rates were reasonably correct.

TABLE 16

FULL TIME WEEKLY RATES, JANUARY TO JUNE, 1933, OF WOMEN EMPLOYEES
OF SIX MEN'S CLOTHING FIRMS, MONTREAL AREA, AS REPORTED TO
MINIMUM WAGE BOARD.*

Amount	Workers	Amount	Workers
\$ 2.01 - 3.00	1	\$11.01 - 12.00	7
3.01 - 4.00	3	12.01 - 13.00	10
4.01 - 5.00	3	13.01 - 14.00	3
5.01 - 6.00	4	14.01 - 15.00	2
6.01 - 7.00	15	15.01 - 16.00	3
7.01 - 8.00	23	16.01 - 17.00	3
8.01 - 9.00	18		
9.01 - 10.00	12	Total	122
10.01 - 11.00	15		

* This table is based upon the rates reported by employers as prevailing in the weeks for which they made their reports — which were not the same, in every instance.

TABLE 17

ACTUAL WEEKLY EARNINGS, JANUARY TO JUNE, 1933, OF WOMEN EMPLOYEES
OF FIVE MEN'S CLOTHING FIRMS, MONTREAL AREA, AS REPORTED TO
MINIMUM WAGE BOARD. *

Amount	Workers	Amount	Workers
\$ 5.00 or less	13	12.01 - 13.00	1
5.01 - 6.00	12	13.01 - 14.00	1
6.01 - 7.00	11	14.01 - 15.00	1
7.01 - 8.00	8	15.01 - 20.00	1
8.01 - 9.00	6	20.01 or more	-
9.01 - 10.00	3		
10.01 - 11.00	1	Total	59
11.01 - 12.00	1		

* Since the reports by employers were made as for different weeks, this table does not give average weekly earnings of the women for the whole period; it merely shows the distribution of their earnings for those weeks that were reported, which may or may not be representative. We believe that the table gives a favourable rather than an unfavourable picture of the situation.

TABLE 18

HOURS, EARNINGS AND HOURLY EARNINGS OF EMPLOYEES OF A MONTREAL
CONTRACT SHOP IN ONE WEEK OF AUGUST, 1933, AS REPORTED BY
WORKERS TO UNION OFFICIALS.

Operation	Sex		Experience	Hours	Earnings	Hourly Earnings
	M.	F.				
Edge baster	M		10 years	50	\$10.00	\$0.20
"	M		25 "	50	8.00	.16
General helper			8 months	65	8.00	.123
Pocket maker			15 years	70	19.00	.271
General tailor	M		23 "	60	12.00	.20
Pocket tacker			10 "	48	12.00	.25
Lapel maker		F	9 "	62	15.00	.242
Lining maker		F	12 "	75	17.00	.227
Canvas baster		F	12 "	47	8.00	.17
General hand		F	5 "	50	12.00	.24
Canvas maker		F	3 "	52	9.00	.174
Brusher	M		13 "	80	14.00	.175
Head operator	M		13 "	70	15.00	.214
Tailor	M		26 "	70	10.00	.143
Sleeve maker	M		10 "	70	7.00	.10
Steam presser	M		13 "	65	14.00	.215
Under presser	M		3 "	65	14.00	.215
Second operator	M		9 "	70	12.00	.172
Presser	M		7 "	60	14.00	.233
Helper presser	M		13 "	60	8.00	.133
Presser	M		10 "	60	12.00	.20
"	M		5 "	65	10.00	.153
"	M		25 "	65	20.00	.308
"	M		25 "	50	15.00	.30
Finisher		F	3 "	50	8.00	.16
Button sewer		F	4 "	70	10.00	.143
Facing tacker		F	5 "	55	5.00	.91
Finisher		F	1 "	45	5.00	.111
Helper presser	M		1½ "	60	5.00	.083
Armhole baster		F	10 "	50	9.00	.18
Finisher		F	6 "	50	7.00	.14

TABLE 19

WAGE RATES ESTABLISHED BY AGREEMENT BETWEEN UNION AND EMPLOYER IN ONE MONTREAL SHOP AFTER STRIKE OF SEPTEMBER, 1933.

Head operator	41	cents per hour	\$18.00 per 44 hour week
Lining maker	21.5	" " "	9.50 " " " "
Head operator	21.5	" " "	9.50 " " " "
Baster on machine	27.2	" " "	12.00 " " " "
Lapels	18.2	" " "	8.00 " " " "
General hand	18.2	" " "	8.00 " " " "
2nd operator	22.8	" " "	10.00 " " " "
2nd operator	18.2	" " "	8.00 " " " "
Brusher and cleaner	29.6	" " "	13.00 " " " "
Presser sub-contractor	45.5	" " "	20.00 " " " "
Helper presser	18.2	" " "	8.00 " " " "
" "	15.9	" " "	7.00 " " " "
" "	29.6	" " "	13.00 " " " "
Finisher	22.8	" " "	10.00 " " " "
"	20.5	" " "	9.00 " " " "
"	20.5	" " "	9.00 " " " "
"	18.2	" " "	8.00 " " " "
Button sewer	18.2	" " "	8.00 " " " "

TABLE 20

FULL TIME WEEKLY WAGE RATES, MARCH TO JULY, 1933, OF WOMEN EMPLOYEES OF SEVEN MEN'S CLOTHING FIRMS, CITIES OUTSIDE MONTREAL OVER 15,000 POPULATION, AS REPORTED TO MINIMUM WAGE BOARD. *

Amount	Workers	Amount	Workers
\$ 3.01 - 4.00	1	\$11.01 - 12.00	30
4.01 - 5.00	2	12.01 - 13.00	18
5.01 - 6.00	9	13.01 - 14.00	13
6.01 - 7.00	43	14.01 - 15.00	11
7.01 - 8.00	16	15.01 - 20.00	12
8.01 - 9.00	20	20.01 or more	5
9.01 - 10.00	29		
10.01 - 11.00	40	Total	249

* This table is based upon the rates reported by employers as prevailing in the weeks for which they made their reports — which were not the same in every instance.

TABLE 21

ACTUAL WEEKLY EARNINGS, MARCH TO JULY, 1933, OF WOMEN EMPLOYEES OF SIX MEN'S CLOTHING FIRMS, QUEBEC CITIES OUTSIDE MONTREAL OVER 15,000 POPULATION, AS REPORTED TO MINIMUM WAGE BOARD. *

Amount	Workers	Amount	Workers
\$ 5.00 or less	6	\$11.01 - 12.00	12
5.01 - 6.00	11	12.01 - 13.00	3
6.01 - 7.00	9	13.01 - 14.00	2
7.01 - 8.00	20	14.01 - 15.00	3
8.01 - 9.00	18	15.01 - 20.00	2
9.01 - 10.00	15		
10.01 - 11.00	9	Total	110

* Since the reports by employers were made as for different weeks, this table does not give average weekly earnings of the women for the whole period; it merely shows the distribution of their earnings for those weeks that were reported, which may or may not be representative. We believe that the table gives a favourable rather than an unfavourable picture of the situation.

TABLE 22

FULL TIME WEEKLY WAGE RATES, MARCH TO JULY, 1933, OF WOMEN EMPLOYEES OF EIGHT MEN'S CLOTHING FIRMS, TOWNS OF LESS THAN 15,000 POPULATION, AS REPORTED TO MINIMUM WAGE BOARD. *

Amount	Workers	Amount	Workers
\$ 3.01 - 4.00	4	\$11.01 - 12.00	57
4.01 - 5.00	13	12.01 - 13.00	32
5.01 - 6.00	26	13.01 - 14.00	16
6.01 - 7.00	57	14.01 - 15.00	2
7.01 - 8.00	54	15.01 or more	17
8.01 - 9.00	67		
9.01 - 10.00	90	Total	547
10.01 - 11.00	112		

* This table is based upon the rates reported by employers as prevailing in the weeks for which they made their reports — which were not the same, in every instance.

TABLE 23

ACTUAL WEEKLY EARNINGS, MARCH TO JULY, 1933, OF WOMEN EMPLOYEES OF EIGHT MEN'S CLOTHING FIRMS, QUEBEC TOWNS OF LESS THAN 15,000 POPULATION, AS REPORTED TO MINIMUM WAGE BOARD. *

Amount	Workers	Amount	Workers
\$ 5.00 or less	78	\$12.01 - 13.00	29
5.01 - 6.00	34	13.01 - 14.00	11
6.01 - 7.00	47	14.01 - 15.00	10
7.01 - 8.00	58	15.01 - 20.00	11
8.01 - 9.00	102	20.01 or more	2
9.01 - 10.00	63		
10.01 - 11.00	54	Total	547
11.01 - 12.00	48		

* Since the reports by employers were made as for different weeks, this table does not give average weekly earnings of the women for the whole period; it merely shows the distribution of their earnings for those weeks that were reported, which may or may not be representative. We believe that the table gives a favourable rather than an unfavourable picture of the situation.

TABLE 24

AVERAGE HOURLY EARNINGS, BEFORE AND AFTER SEPTEMBER STRIKE, OF WORKERS
IN THREE QUEBEC COUNTRY SHOPS, FROM PAYROLL RECORDS.

Amount	Pre-strike		Post-strike	
	Men	Women	Men	Women
	First Shop			
10 cents or less	6	24	4	4
11 - 15	6	17	6	32
16 - 20	8	2	1	8
21 - 25	4	-	5	2
26 - 30	-	1	4	-
31 - 35	1	-	-	1
36 - 40	1	-	-	-
41 - 45	-	-	2	-
46 - 50	-	-	2	-
Total	26	44	24	47
	Second Shop			
10 cents or less	4	2	-	-
11 - 15	3	18	-	-
16 - 20	-	1	-	-
21 - 25	-	4	-	-
26 - 30	-	-	-	-
31 - 35	1	-	-	-
36 - 40	1	-	-	-
Total	9	25		
	Third Shop			
10 cents or less	4	11	-	5
11 - 15	4	8	1	7
16 - 20	-	2	3	1
21 - 25	4	5	2	6
26 - 30	7	1	-	4
31 - 35	2	-	1	-
36 - 40	7	-	4	-
41 - 45	1	-	-	-
46 - 50	-	-	1	-
51 or more	-	-	2	-
Total	29	27	14	23

TABLE 25

WEEKLY EARNINGS, IN TWO WEEKS PRECEDING AND FOLLOWING SEPTEMBER
STRIKE, OF WORKERS IN THREE QUEBEC COUNTRY SHOPS, FROM
PAYROLL RECORDS.

Amount	Pre-strike		Post-strike	
	Men	Women	Men	Women
First Shop				
\$ 5.00 or less	6	19	3	9
5.01 - 7.50	3	24	6	27
7.51 - 10.00	6	5	2	14
10.01 - 12.50	5	1	2	4
12.51 - 15.00	3	2	4	—
15.01 - 17.50	1	—	2	2
17.51 - 20.00	—	—	3	—
20.01 - 25.00	1	—	3	—
25.01 - 30.00	1	—	3	—
30.01 - 35.00	—	—	1	—
Total	26	51	29	56
Second Shop				
\$ 5.00 or less	3	13	1	—
5.01 - 7.50	3	6	3	9
7.51 - 10.00	3	3	—	8
10.01 - 12.50	—	3	—	3
12.51 - 15.00	—	—	—	1
15.01 - 17.50	—	—	—	—
17.51 - 20.00	—	—	—	1
20.01 - 25.00	—	—	2	—
25.01 - 30.00	—	—	—	—
Total	9	25	6	22
Third Shop				
\$ 5.00 or less	1	8	—	—
5.01 - 7.50	6	8	—	—
7.51 - 10.00	2	6	—	—
10.01 - 12.50	2	3	—	—
12.51 - 15.00	4	7	—	—
15.01 - 17.50	4	—	—	—
17.51 - 20.00	2	—	—	—
20.01 - 25.00	6	1	—	—
25.01 - 30.00	8	—	—	—
30.01 - 35.00	—	—	—	—
Total	35	33	—	—

TABLE 26
HOURS OF WORK OF EMPLOYEES OF THREE QUEBEC COUNTRY SHOPS.

First Shop					
Week of Sept. 4 - 9, 1933			Week of Oct. 2 - 7, 1933		
	Men	Women		Men	Women
44 hours or less	3	4	44 hours or less	—	2
45 - 54	7	15	45 - 54	2	5
55 - 64	11	22	55 - 64	19	36
65 or more	5	3	65 or more	3	4
Total	26	44	Total	24	47

Second Shop					
Week of Aug. 7 - 12, 1933			Week of Sept. 4 - 9, 1933		
	Men	Women		Men	Women
44 hours or less	1	1	44 hours or less	5	15
45 - 54	7	6	45 - 54	1	—
55 - 64	18	23	55 - 64	—	7
65 or more	5	3	65 or more	5	6
Total	31	33	Total	11	28

TABLE 27
NUMBER OF GENERAL MANUFACTURING FIRMS, MEN'S CLOTHING INDUSTRY, NEW FIRMS AND FIRMS DISAPPEARING, ONTARIO AND QUEBEC, 1926-1933. *

	Ontario								
	1926	1927	1928	1929	1930	1931	1932	1933	Total
Firms listed	66	68	62	69	75	75	78	66	69.3†
New firms	7	4	12	14	12	8	3	—	60
Firms leaving	5	10	5	8	12	5	15	—	60

	Quebec								
	1926	1927	1928	1929	1930	1931	1932	1933	Total
Firms listed	143	148	153	157	140	141	137	126	143.1†
New firms	25	21	26	18	15	21	13	—	139
Firms leaving	20	16	22	35	14	25	24	—	156

35 of the 66 firms in Ontario listed in 1926 (53 per cent) were still listed in 1933.

65 of the 143 firms in Quebec listed in 1926 (45.5 per cent) were still listed in 1933.

* Source: Firms listed in Fraser's Directory on Textiles. Those firms listed for the first time in the directory for any given year were considered as new firms for that year, and firms previously listed whose names no longer appeared were considered as firms leaving the industry in the first year for which they were not listed. Since some firms appear in Fraser's Directory under more than one name, since some do little or no manufacturing, since old firms change their names from time to time, and since some small firms are not listed at all, the results of our tabulation should not be taken as completely accurate. However, we think that the table does give a fair picture of business mortality and of the rise of new firms.

† The average number for the whole period.

TABLE 28

NUMBER OF CONTRACT SHOPS, MEN'S CLOTHING INDUSTRY, NEW FIRMS, AND
FIRMS LEAVING, ONTARIO AND QUEBEC, 1926-1933. *

	Ontario								
	1926	1927	1928	1929	1930	1931	1932	1933	Total
Firms listed	21	19	17	15	13	13	11	9	14.8†
New firms	-	1	2	-	2	-	-	-	5
Firms leaving	2	3	4	2	2	2	2	-	17
	Quebec								
	1926	1927	1928	1929	1930	1931	1932	1933	Total
Firms listed	57	53	44	32	32	34	30	30	39†
New firms	10	8	5	4	3	3	5	-	38
Firms leaving	14	17	17	4	1	7	5	-	65

14 of the 57 shops listed in Quebec in 1926 (24.6 per cent) were still listed in 1933.

5 of the 21 shops listed in Ontario in 1926 (23.8 per cent) were still listed in 1933.

* Source: Fraser's Directory on Textiles. See footnote to the preceding table. The figures for contract shops are probably less accurate than those for general manufacturers, on account of their being smaller and less likely to be completely listed in the directory.

† The average number for the whole period.

TABLE 29

GROSS VALUE OF PRODUCTION, MEN'S FACTORY CLOTHING, AND PERCENTAGE OF GROSS VALUE, BY CITIES,
1929 TO 1932. *

	1929		1930		1931		1932	
	Gross Value	Per cent						
Toronto	\$13,190,251	26.08	\$10,423,501	25.54	\$10,366,197	30.53	\$ 7,355,921	26.21
Hamilton	1,603,856	3.17	1,344,727	3.29	1,027,640	3.03	1,423,739	5.07
Montreal	24,411,317	48.26	19,875,238	48.69	17,042,307	50.19	13,662,337	48.68
Quebec	—	—	—	—	752,669	2.2	462,696	1.6
Winnipeg	—	—	—	—	363,459	1.1	414,030	1.5
Other cities and towns	—	—	—	—	4,397,811	12.95	4,747,423	16.92
Canada	\$50,580,168	100	\$40,819,423	100	\$33,950,803	100	\$28,066,146	100

* Source: Dominion Bureau of Statistics Census of Industry Reports. The 1932 figures are preliminary and not quite complete.

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